FBIS DAILY REPORT

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FURTHER REPORTAGE ON FALKLANDS SITUATION

Talks Reportedly Ongoing

PY022315 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2040 GMT 2 Feb 87

[Text] Buenos Aires, 2 Feb (NA) -- Congressional sources today reported that intermediate level Argentine and British diplomats have been holding informal talks on the Malvinas conflict for at least 10 days. However, Foreign Ministry spokesmen categorically denied the report.

The Foreign Ministry spokesman reiterated to NA that "the only contacts being made are at the UN level" where UN Secretary General Javier Perez de Cuellar is conducting a goodwill mission based on the UN resolutions that favor a peaceful solution to the conflict.

Asked about the congressional source report, the Foreign Ministry spokesmen said that "there has not been any official or unofficial contact with the British." The congressional sources indicated that [words indistinct] bilateral talks "is a progress [words indistinct] an improvement in the conflictive situation prevailing since 1982."

The sovereignty issue is the most conflictive point in the reestablishment of Argentine-British relations because this year both countries are holding elections and giving in on this issue would mean losing votes.

In Argentina, the historic claim of the Argentine rights over the islands is pressuring local officials who repeatedly told congressional sources that "there will be no negotiations if sovereignty is not discussed."

Today's press reports indicated that the Argentine position on the issue is to insist on negotiations in order to reduce tensions in the South Atlantic, and that the negotiations should be held at the "intermediate" diplomatic level. In order to hold negotiations, Argentina reportedly sent to London a Paris-stationed diplomat who is an expert in international law.

It has also been reported that another site for negotiations is New York, at the United Nations, where Marcelo Delpech heads the Argentine delegation.

Foreign Minister Dante Caputo met with Delpech after his Central American tour with the Contadora and Contadora Support Groups, and before he canceled his trip to India where he was going to attend the African Fund meeting, an organization of nonaligned countries against apartheid. The meeting between Caputo and Delpech must certainly have dealt with the "unofficial level" negotiations being held between the UN Argentine and British delegations in an attempt to prevent serious incidents in the South Atlantic as a result of the enforecement of the fishing exclusion zone around the Malvinas.

U.S. Role Discussed

PY021347 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1154 GMT 2 Feb 87

[Text] Buenos Aires, 2 Feb (NA) -- Balbino Zubiri, president of the Chamber of Deputies Defense Committee, today said that Argentina "will not provoke incidents in the South Atlantic, and the events of April 1982 are even less likely to occur."

He said, however, that "it is impossible to know the attitude Great Britain will adopt, because its decisions have always been unpredictable."

Zubiri stated that "any warlike action will contribute further to isolating Great Britain internationally." He also dismissed "the possibility of an incident, because I hope that prudence and wisdom will prevail on this occasion to prevent an episode like the one we previously experienced."

"Argentina will not provide incidents that could provoke a conflict of major consequences," Zubiri stated. He explained that "Argentina will act prudently but firmly, as stated by Foreign Minister Caputo."

In a chat with Radio Continental, Zubiri stated that "officially there is no form of United States mediation. He added that "surely the United States will make every diplomatic effort necessary to prevent a new conflict in the South Atlantic." Zubiri stated that "everything must take place normally, because some public concern has been created on this matter, as if the 1982 episode that hurt us so much will be repeated."

He concluded by voicing assurances that "there will be no clashes or incidents, because this is not the spirit of our country this problem."

Parties Assail Government

PY021322 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2248 GMT 1 Feb 87

[Text] Buenos Aires, 1 Feb (NA) -- Political parties of various ideological leanings today criticized the government for its handling of the Malvinas issue. They stated that the government "has accepted the impositions of British imperialism, making a pact with it on the exclusion zone around the Malvinas Islands," and that "it has not adopted any effective measures" against this "new form of usurpation" established by the implementation of a fishing protection zone.

The Popular Leftist Front, which is headed by Jorge Abelardo Ramos, stated that "the Radical Civic Union government has not adopted any effective measures. Quite the contrary, in a new demonstration of its policy of continuous lameness and its dubious dealings with the colonialist West, it has in fact accepted the affronting advance of the world power that is forcefully occupying our Malvinas Islands."

The Workers Pary (PO) stated in a communique that "the government has accepted the imposition of British imperialism, making a pact with it on the exclusion zone around the Malvinas Islands with the arbitration of the United States." The PO stated that "British imperialism is boasting of having obtained maximum guarantees while through a secret diplomatic policy, promoted by the Yankees, the Foreign Ministry is treacherously negotiating a semicolonial solution to the conflict over the islands."

Francisco Aguirre, president of the Buenos Aires Province Integration and Development Movement, repudiated the "complicity and disinformation" that exists in the country over the current conflict with Great Britain. Aguirre stressed "the seriousness of the territorial and maritime usurpation that is strengthened today, 1 February, with the implementation of the economic zone banning Argentina from the seas around the Malvinas Islands."

CP Rejects 'Conciliation'

PY311558 Buenos Aires CLARIN in Spanish 30 Jan 87 p 17

[Paid advertisement of the Argentine Communist Party Central Committee: "Malvinas: A New Dimension"]

[Text] A new Anglo-Yankee usurpation will be committed on 1 February 1987. It is no longer a question only of the illegal occupation of the Malvinas Islands, but also of the appropriation of over 100,000 square kilometers of Argentine waters and their natural resources. We categorically reject the so-called fishery exclusion zone, as well as the legal right of the British empire to grant fishing licences in our seas.

It is serious that 5 years after the war of aggression unleashed by Yankee-English imperialism and the creation of a NATO nuclear base on the Malvinas the national government is ignoring the importance of this new measure looting our national territory and its militaristic purposes.

Worse still, it is intended to make the public forget the Malvinas at a time when a very clear choice is at stake over the islands: liberation or dependency on imperialism. The "secret" negotiations and the visits by the Reagan administration's special envoys (Habib and General Galvin) show that conciliation with the enemies of the people and the nation strengthens dependency.

Once again we demand national dignity, says the People's Front: "We should base ourselves on the UN declaration pronouncing the Atlantic a nuclear-free zone. Great Britain is now responding to this declaration with a warlike measure. The English cattle ranches in Patagonia and the goods and companies of British citizens should be expropriated, and the payment of the interest on the foreign debt should be suspended immediately.

"It is absurd that we continue financing the arms and aggressive policies of imperialism by sacrificing our people." (People's Front paid advertisement of 30 October 1986)

In view of the imperialist aggression in the Malvinas and Nicaragua, we urgently need a foreign policy that surrounds us with Latin American and international solidarity, without any conciliations.

To this end, we make a call to make Sunday, 1 February 1987, a day of POPULAR ALERT [published in boldface] to show that the Argentine people will continue struggling for national liberation and for the Argentine Malvinas.

Everyone to the central rally on Saturday, 31 January 1987, in the Plaza de la Republica (the Obelisk) at 2100.

[Signed] Communist Party Central Committee

Opposition Criticism

PY012008 Buenos Aires BUENOS AIRES HERALD in English 1 Feb 87 p 15

[Text] (NA-DYN) -- Several opposition parties yesterday criticized the British decision to declare a 200-mile fisheries conservation zone around the Malvinas Islands and blasted the Radical administration on its foreign policy with respect to the conflict.

Democratic Center Union (UCeDe) deputy Alvaro Alsogaray said that Argentina's hands are tied "by the incompetence of government officials who continue the policies of the military junta, which ended with our defeat in a suicidal war."

Alsogaray also criticized the fishing agreement signed with the Soviet Union for "bringing the East-West conflict into Argentina through the back door."

The People's Front rejected the decision by British imperialism" to grant fishing licences "within our sovereign territory" and called on the government to "nationalize English farms and banks and declare a moratorium on the foreign debt."

Buenos Aires Movement for Integration and Development leader Francisco Aguirre announced that his party would carry out a "public information campaign to warn the population on the dangers of the maritime mutilation to our territory."

Radical deputy Lucia Alberti, meanwhile, accused "reactionary right-wing parties" of debasing the debate on the Malvinas issue while Senator Adolfo Gass criticized the UCeDe for "failing to study the fishing agreement with the Soviet Union and Bulagria in detail."

An association grouping former fighters in Malvinas urged the expropiation of British capital in Argentina and a moratorium on the foreign debt.

CNEA OFFICIAL EXPLAINS NUCLEAR WASTE DUMP

PY021554 Buenos Aires TELAM in Spanish 0118 GMT 1 Feb 87

[Text] Comodoro Rivadavia, 31 Jan (TELAM) -- Technician Cesar Arias, speaking for the management of the Radiological and Security Protection Office of the National Atomic Energy Commission (CNEA), today explained the scope of the nuclear dump project in the Sierra del Media area, 60 kilometers from the locality of Gastre, Chubut Province.

Speaking on a radio program, Arias stated that the region is composed of granite rock, thus making it one of the most secure places to shelter atomic fuel waste (enriched uranium).

This subject, which has raised angry reactions in different sectors of the Chubut population, was discussed by the CNEA official, who admitted that the spent fuel containers do not reduce radioactivity to zero, but at least it can no longer affect the human body.

Referring to the current opposition to the project to build the dump in Chubut, Arias said that it is normal because among the general public nuclear energy has created an aura of mystery, of passions, and even of sex. He ironically added that a novel could be written with this material.

Arias stated that a taboo has been created, and that to a great extent it can be explained by the unfortunate events at Hiroshima and Nagasaki.

Regarding the internationalization of this dump, according to reports released by political leaders recently, he said that he was not aware of that possibility, but added: The final decision to internationalize the future nuclear waste dump, scheduled for the year 2000, depends on the national government, not the CNEA.

BEDREGAL CLAIMS U.S. 'NOT FULFILLING' DRUG PLAN

PY280254 Madrid EFE in Spanish 0114 GMT 28 Jan 87

[Text] La Paz, 27 Jan (EFE) -- Bolivian Foreign Minister Guillermo Bedregal today stated that the U.S. Government is not fulfilling the commitments it made with Bolivia in October 1986 to support the struggle against drug trafficking.

Bedregal criticized this attitude because it poses a question for the executive branch in view of the preparatory techinical meeting that will be held in Vienna on 2 February. The drug trafficking problem will be studied during this meeting.

Bedregal stated that the White House committed itself to finance the "3-year program against drug trafficking" that is being conducted by the Bolivian Government by contributing $300 million.

During a recent meeting with Bolivan President Victor Paz Estenssoro, Ann Wrobleski, the U.S. deputy assistant secretary of state for International Narcotics Affairs, stated that the U.S. Administration approved a $66-million contribution for the Bolivian antinarcotics program in 1987.

Later, the U.S. ambassador in Laz Paz, Edward Rowell, said that this sum only corresponds to the first year of the program and that it could be increased to approximately $100 million.

The Bolivian foreign minister stated that the "last-minute" changes introduced in the agreements by the U.S. representative "are not the best within the framework of a serious and solid relationship."

BRIEFS

PLANE WITH COCAINE SEIZED -- Mobile Units for Rural Areas [Umopar] personnel yesterday seized a small Cessna plane which was carrying 114 kg of cocaine sulphate and $100,000, in Puerto Aurora, near Senda Tres. The plane crew was arrested: Pedro Cabrera Arias, Alejandro and Fernando Suarez Vaca, and Alberto Suarez Gonzaga. Meanwhile Narcotics and Dangerous Drugs Department personnel confiscated 900 grams of cocaine from a suitcase on board an Aerolineas Argentinas plane at the Viru Viru airport of Santa Cruz. Mr Cipriani Vargas Godoy was arrested in La Paz carrying 3 kg of cocaine sulphate. [Excerpts] [La Paz EL DIARIO in Spanish 3 Jan 87 p 3 PY]

DRUG SEIZED IN GUAYAMERIN -- The border police have confiscated 4.2 kg of cocaine sulphate from a boat coming down the river from Puerto Villarroel. The police opened the packages in front of journalists and said that it was high quality drug. The Narcotics and Dangerous Drugs Control Department reported that investigations are still continuing. [Summary] [La Paz PRESENCIA in Spanish 25 Dec 86 p 3 PY]

COCAINE SULPHATE BURNED -- The regional antidrug directorate has reported that 440.9 kg of cocaine sulphate and 29.8 kg of cocaine hydrochloride have been burned in the presence of regional authorities. [Summary] [La Paz PRESENCIA in Spanish 11 Jan 87 p 7 PY]

GUIMARAES NAMED CONSTITUENT ASSEMBLY PRESIDENT

PY030220 Madrid EFE in Spanish 0054 GMT 3 Feb 87

[Excerpt] Brasilia, 2 Feb (EFE) -- Brazilian Deputy Ulysses Guimaraes, one of the founders of the Democratic Alliance which brought democracy back to Brazil in 1985 today was elected president of the Fifth National Constituent Assembly.

Guimaraes, who is 70 years old and the highest-ranking leader of the government Brazilian Democratic Mobilization Party (PMDB), was today also reelected president of the Chamber of Deputies for the fifth time. Guimaraes will act as president in the absence of President Sarney. [passage omitted]

Lucena Elected Senate President

PY021404 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 2 Feb 87

[Excerpt] Senator Humberto Lucena, PMDB, Paraiba State, is the new Senate president. He was elected yesterday for the 1987-88 period.

Of the 82 senators who make up the Senate, Lucena received 77 votes, while Senator Nelson Carneiro received 1 vote. There were four blank baliots.

After the vote, Senator Lucena took the floor to stress the climate of tranquillity prevailing in the country, and the fact that the executive, legislative, and judicial branches are functioning normally. [passage omitted]

GOVERNMENT TO ALLOW VARIOUS PRICE INCREASES

PY300224 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jan 87 p 43

[Excerpt] During a telephone conference call set up by the Interministerial Price Council (CIP) yesterday, the decision was made to allow price realignment in some sectors Four of the five ministers who are CIP members gave the green light for price increases ranging from 15 to 25 percent in the following sectors: electronics, home appliances, nonferrous metals, paper and plastic containers, steel manufactured by Siderbras [Brazilian Iron and Steel, Inc], and other products. All sectors granted permission to make these readjustments have promised a 120-day truce, beginning today, before they implement the readjustments.

As he left his office last night, Finance Minister Dilson Funaro said: "We are already implementing the Social Pact." The minister anticipated "a positive response" from the business sector that has not yet received permission to readjust their prices. Minister Funaro believes that the adopted measure "will help in the discussions of the Social Pact," which will be resumed tomorrow by Labor Minister Almir Pazzianotto.

The percentages of the price adjustments were determined at successive meetings held at the Finance Ministry in recent days. From Brasilia, Funaro's special adviser Paulo Francini of Sao Paulo negotiated the agreement with businessmen on the 120-day truce before prices are actually increased. [passage omitted]

GOVERNMENT TO PERMIT GRADUAL ECONOMIC REALIGNMENT

PY031040 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jan 87 p 22

[By Milano Lopes]

[Excerpt] After meeting with their closest advisers and then with the nation's president, the planning and the finance ministers have adopted a unanimous position that the economy should be readjusted gradually, taking into account the following points:

1. Prices will be reajusted according to the evolution of production cost, increase being estimated at 20-30 percent

2. As the realignment is implemented throughout the month of February for all those products whose cost-selling price is out of alignment, the price control policy will also be gradually implemented depending on the importance of the products for calculating inflation, regulating the prices of those that weigh more in the calcularin of the inflation index.

3. The salary policy will stay the same, with the escalator clause being activated every time the accumulated inflation reaches 20 percent.

4. In 1 or 2 weeks, the government will make a decision on a new minimum wage, which will have a real increase that will not be so small as to be irrelevant, nor too large as to put excessive pressure on businesses.

5. The decree-law mechanism will not be activated for the time being. The new minimum wage will be instituted through a decree.

6. Decisions regarding rent readjustments will be made in time, since the policy of graduation does not require haste. Should it be necessary to use the decree-law mechanism, political neogtiations will be conducted beforehand, with the leaders of the parties that support the government in Congress.

7. The government is prepared to handle, through the usual mechanisms of economic policy, the exceptionally high inflation rates expected for January and February in the wake of the price realignment, and an average monthly inflation rate of 6 percent since April.

8. The effects of an annual inflation rate on the order of 100 percent will be minimized through the mechanisms of monetary correction and re-indexation of the economy. [passage omitted]

CUBAN TRADE HINGES ON CURRENCY OF PAYMENTS

PY300054 Rio de Janeiro O GLOBO in Portuguese 28 Jan 87 p 16

[Text] Brasilia -- Brazilian businessmen who want to do business with Cuba will face two problems. One is that the two countries have not yet reached an agreement on which currency will be used in the operations; and the other is the payment guarantee, which in the words of Communications Minister Antonio Carlos Magalhaes, "is Cuba's problem," just as the precautions to ensure payment "are a seller's problem." The communications minister said, however, that the government will facilitate things as much as possible.

An Itamaraty source confirmed that Cuba, like the Soviet Union, prefers to deal in Deutsche marks.

According to the same source, despite existing contacts between the two governments, diplomatic negotiations are usually slower than commercial negotiations.

Minister Antonio Carlos Magalhaes stressed the Brazilian Government's interest in doing business with all countries, even when transactions might result in small losses; but "this won't happen with Cuba," he said.

The minister asserted that Brazil is a strong country that must not fear sanctions from other countries that are interested in hindering commercial relations with Cuba, "whether the sanctions are from the United States, the Soviet Union, or the PRC." The minister is not afraid of domestic reactions, and said: "I do not believe that there will be a reaction from the right; and if there is, it does not matter."

Brazilian-Cuban trade relations in the area of telecommunications will generate foreign exchange earnings of approximately $30 million over the next 6 months, according to the communications minister.

During Minister Marco Antonio Magalhaes' 3-day visit to Cuba, the long distance-direct dialing system between Brazil and Cuba was dedicated and talks were held on the development of bilateral cooperation in the telecommunications area. It was agreed that Brazil will cooperate in developing postal, telex, and telephone services, supplying goods and services for developing communications in Cuba, including consultation on international communication regulations.

BROCHURES ADVOCATE 'EXTERMINATION' OF CONTRAS

PY022343 Sao Paulo VEJA in Portuguese 28 Jan 87 p 35

[From the "Radar" Column]

[Text] In addition to the volunteer groups Brazil has sent to Managua to harvest coffee, it now sends another type of help to Nicaragua: study aids for the engineering students at the National University in Managua. The brochures, produced by the University of Brasilia, would be little more than just another item on the long list of things exchanged between the two countries had it not been for the curious dedication printed on the first page. This dedication is certainly out of place for such a serious publication full of figures and charts. The brochure is dedicated to all "contras," without distinction of "color, weight, size and with the most sincere wishes for their prompt extermination."

DIPLOMATIC RELATIONS ESTABLISHED WITH SOMALIA

PY030058 Brasilia Domestic Service in Portuguese 2100 GMT 2 Feb 87

[Excerpts] The Brazilian Foreign Ministry has reported that Brazil and Somalia today established diplomatic relations in order to promote mutual understanding and to strengthen friendship ties between the two peoples. [passage omitted]

The appointment of the Brazilian and Somalian ambassadors will be simultaneously announced at a later date.

FARC CLAIMS RESPONSIBILITY FOR MAGDALENA ATTACK

PA301236 Bogota Cadena Radial Super in Spanish 0000 GMT 30 Jan 87

[Text] Bogota -- The self-styled FARC, the only rebel [words indistinct] group which recently attacked Army units in Middle Magdalena, Antioquia Department, today admitted in a communique that it has carried out those actions. According to them, this was done to defend their security.

Even though the Case Verde communique does not explain why the 12th Front killed seven unarmed military members who were engaged in an engineering operation, it says that the rebels will not let the Armed Forces harass them and they will respond militarily in any part of the country.

Carlos Efren Agudelo, FARC secretary and UP [Patriotic Union] member, also has said that the FARC is abiding by the agreements throughout the national territory and will continue to do so until the Casa Verde secretariat orders otherwise.

Also, the UP-FARC communique proposes that President Virgilio Barco reactivate the peace commission and establish the verification and dialogue commissions.

GOVERNMENT, FARC HOLD 'CRUCIAL' PEACE TALKS

PA012242 Madrid EFE in Spanish 1946 GMT 1 Feb 87

[Text] The government of President Virgilio Barco Vargas and the FARC guerrilla group began talks today considered "crucial" for the future of the country's peace progress.

Carlos Ossa Escobar, the presidential adviser for reconciliation, normalization, and rehabilitation, traveled to the FARC's main camp in La Uribe, located in the mountains adjacent to the Colombian eastern plains to define the future of the [peace] process with the top leaders of the country's oldest and largest guerrilla group.

Ossa Escobar said that the government is concentrating its efforts on trying to achieve the definitive reincorporation of the FARC guerrillas into the country's normal civilian life. Before leaving for Casa Verde, a guerrilla camp, Ossa Escobar said that "it is not a matter of imposing anything on the FARC, as it should be a logical outcome as stated in the agreements."

The FARC agreed to a cease-fire in March 1984 under President Belisario Betancur's government. This truce was jeopardized in recent days due to guerrilla attacks against the Colombian Army that were attributed to the FARC.

The FARC commanders issued a statement last Thursday in which they asserted that "they are not shooting" and that their fronts "must defend themselves" from military harassment.

Ossa Escobar stressed today that "maintaining the current situation indefinitely -- speaking of the rebels' reincorporation into civilian life -- creates greater tension, and it is also difficult for the country to accept that they remain up in arms indefinitely."

"There is leeway -- a political opening -- so that they can reincorporate themselves with full guarantees," Ossa Escobar said. Ossa Escobar admitted that "many leaders of the Patriotic Union (UP) have been killed -- just as many Liberal and Conservative leaders -- however, we must show the nation that the path we are following has a purpose." There "is a very clear goal we all want to achieve. As soon as possible -- if not during this meeting in the very near future -- we hope to take what the president has described as a step forward," Ossa Escobar concluded.

Agreement Reached

PA022202 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 2 Feb 87

[Text] The dialogue in La Uribe between the FARC representative and President Virgilio Barco's emissary has ended. Here is a report by Ricardo Canon:

[Canon] The government and the FARC General Secretariat agreed over the weekend to give new life to the country's pacification process during a meeting held at Casa Verde by Carlos Ossa Escobar, minister-counsellor of President Barco; and the members of the subversive group.

In principle, it was agreed that FARC will accept any verification team appointed by President Barco himself. At the same time, a dialogue will begin to incorporate the subversive group into the country's mainstream.

Although he expressed much optimism over the results of the meeting, the presidential counsellor was not informed of the responsibility attached to the FARC fronts active in the Middle Magdalena area for the events in Mutata and San Vicente de Chucuri. Ossa said in this regard that the representatives of the FARC Secretariat -- Jacobo Arenas and Manuel Marulanda Velez -- neither confirmed nor denied the report because there has been no exchange of information or communication of any kind between the FARC fronts and high command for over 2 months.

[Begin recording] [Canon] Do you feel there has been a breakdown in discipline among the FARC fronts regarding the decision of the General Secretariat?

[Ossa] They very sincerely state that they do not exert control over their fronts because the chief of the DAS [Administrative Department of Security] has captured their couriers. This has prompted them to order that no courier arrive at La Uribe, at the secretariat. In this sense, they say they do not have control over the fronts.

[Canon] Ossa added that during the dialogue held over the weekend, the FARC representatives agreed to respect the cease-fire and truce agrements, explaining that only President Barco can adopt a decision to the contrary. [end recording]

[Announcer] And there is something else on this. Attorney General Carlos Mauro Hoyos will meet this afternoon with Ossa to define what role the country's watchdog office will play in the commission for verification of the peace agreements.

COLOMBIAN GUERRILLAS ATTACK ARMY DETACHMENT

PA021804 Quito Voz de los Andes in Spanish 1130 GMT 2 Feb 87

[Text] Three Ecuadoran soldiers and a Colombian guerrilla were killed and three were wounded as a result of an attack on the Cuembi Detachment of the Putumayo Jungle Battalion No 55.

General Medardo Salazar Navas, retired, the national defense minister, said that the attack involving between 40 and 50 Colombian guerrillas occurred last Friday at approximately 1900. He pointed out that the position of the Ecuadoran detachment was not occupied by the Colombian guerrillas despite their attempts. Therefore, they failed to seize arms or other Ecuadoran property.

Salazar added that members of the Ecuadoran detachment repulsed the Colombian guerrilla attack. The Ecuadoran and Colombian Armies immediately started a combined operation to capture the subversives. He said that as a result of the attack, three Ecuadoran conscripts and one Colombian guerrilla, whose body was left abandoned in the region, were killed.

He added that an undetermined number of Colombian guerrillas were killed and wounded and their bodies were carried away by their companeros. Salazar said that two noncommissioned officers and one conscript whose condition is not serious were wounded on the Ecuadoran side; they are currently receiving treatment at the Military Hospital of the Armed Forces in this capital.

Replying to press reports that the attack by Colombian guerrillas involved rocket launchers, the defense minister said that investigations on the subversives' incursion are under way, but he cannot confirm that claim.

ARMED FORCES DECLINE TO MEET WITH CONGRESS

PA311849 Quito Voz de los Andes in Spanish 1230 GMT 31 Jan 87

[Text] It has been officially reported that the Ecuadoran Armed Forces have declined a congressional invitation to analyze the political and military crisis caused by the temporary abduction of President Leon Febres Cordero by military commandos.

We, the military, should resolve the problems of the Armed Forces, not the politicians, Defense Minister General Medardo Salazar, retired, told newsmen. Salazar was replying to a proposal made by Deputy and General Rene Vargas Pazzos, retired, brother of also retired Air Force General Frank Vargas Pazzos, to analyze the situation in congress.

Febres Cordero was held for 11 hours by paratrooper commandos who forced him to release Frank Vargas Pazzos, to approve an amnesty granted by congress to Vargas Pazzos in September, and to promise not to take any measures against his kidnappers.

However, the 80 Jaguar commandos that participated in the abduction at the Taura Air Base on 16 January are under arrest. They are being held in five Army quarters in Quito, and are being questioned by military justice representatives.

Vargas Pazzos has been in hiding since his release to avoid a military court arrest order.

The moral and physical condition of the commandos is completely normal, Salazar said in an interview with a Quito radio station. Salazar denied statements by the commandos' relatives that they had been tortured and injured.

Similarly, the mayor of Quito has denied a request for habeas corpus made by the commandos' lawyer, alleging that the request was not legal.

PLOT TO FREE DETAINED COMMANDOS REPORTED

PA021627 Paris AFP in Spanish 1519 GMT 2 Feb 87

[Excerpts] Guayaquil, Ecuador, 2 Feb (AFP) -- Guayaquil's morning newspaper, EL UNIVERSO, today reported that military intelligence discovered a plot to kidnap Jaime Nebot, the governor of Guayas Province, or hijack a passenger plane in exchange for the release of the 80 commandos who kidnapped President Leon Febres Cordero in January.

The newspaper added, without citing any specific source, that another measure of pressure planned by the plotters to reach their goal was placing a bomb at the presidential palace.

EL UNIVERSO said that the plot was organized by officers who were dismissed and military personnel of Manta Air Base, located 200 km south of Guayaquil. General Frank Vargas Pazzos entrenched himself at Manta Air Base in March 1986. He was arrested later on and, on 16 January, was released by the rebel airmen who kidnapped Febres Cordero.

The newspaper said that Vargas Pazzos went to Manta on Friday to establish contact with the commandos who are allegedly involved in the plot.

The intelligence service detected [detectaron] a telephone call between Colonel Narvaez, dismissed after the March 1986 incidents, and a relative of Vargas Pazzos in which they discussed the kidnapping of the governor, an official who is closely linked with Febres Corder. [passage omitted]

In addition, the Communist Party newspaper EL PUEBLO today stated that to defeat imperialism and the local oligarchy "there is a need for the unity of the large forces. They must include the democratic sectors, the democratic military officers such as Vargas Pazzos, and the thousandss of disillusioned people who voted for the oligarchic lists."

VARGAS CLAIMS MERCENARIES HIRED TO KILL HIM

PA021552 Quito Voz de los Andes in Spanish 1130 GMT 2 Feb 87

[Text] General Frank Vargas Pazzos, the deposed the Ecuadoran Air Force [FAE] General, has said that in the past few days a group of foreign mercenaries, or specialized hired assassins, arrived in Ecuador to kill him.

During a clandestine news conference, Vargas, who was wearing a campaign uniform, spoke to a small group of Ecuadoran newsmen and Spain's EFE news agency for more than 1 hour. The newsmen were transported by car to a house at an unknown location under strict security measures and were blindfolded.

The former FAE chief is in hiding. He is charged with complicity in the purchase of a plane for the Armed Forces. He said that he has received information that mercenaries are arriving in the country to try to kill him. He added that as long as President Leon Febres Cordero remains in power, anything can happen in the country. As for his current situation, he said: I feel as though I were in a Roman circus. During his entire statement, Vargas incessantly and strongly criticized the national government. However, Vargas said that he has forgiven the government and added that belligerant actions must be put aside to restore national tranquillity. The general accused the current head of state of proposing to him in 1982 a coup d'etat against Christian Democratic President Osvaldo Hurtado. Raising his right hand, he said: I swear this before my people. Vargas said that this happened in Guayaquil and that he has witnesses. He also revealed that General Luis Pineiros, who later became defense minister under President Febres Cordero, made the same proposal to him in his Quito residence. However, Vargas admitted that he does not know whether the two proposals, which he categorically rejected, were related. The officer reaffirmed that he aspires to actively participate in politics and in the January presidential elections.

DEBT SERVICE NOT TO EXCEED 30 PERCENT OF EXPORTS

PA260113 Hamburg DPA in Spanish 2022 GMT 25 Jan 87

[Text] Quito, 25 Jan (DPA) -- Ecuador today announced that it will not devote more than 30 percent of the total value of its exports -- excluding the foreign exchange generated by the private sector -- to the payment of its foreign debt of $8.2 billion. Upon announcing the shift in policy on servicing of the foreign debt, Central Bank President Carlos Julio Emanuel said, "We will do this with or without the IMF's approval."

The conservative government of President Leon Febres Cordero had declared itself in favor of paying according to the already agreed-upon terms, indicating that the only limitation in the servicing of the debt would be that "it be in accordance with the country's possibilities." "Economic management would become very difficult beyond this 30 percent," he said. However, he admitted that the "internal political crisis is negatively affecting Ecuador's bargaining power." "Every political crisis entails an economic cost, and Ecuador certainly could not be an exception," he added in an obvious reference to the recent abduction of President Leon Febres Cordero, and the attendant repercussions on the country's internal stability.

Emanuel said that despite its decline in bargaining power, Ecuador is negotiating an agreement with the creditor banks that includes both a rescheduling of payments on the principal and an extension of the terms for the servicing of interest. In December 1985, following 1 year of negotiations, Ecuador signed an agreement to refinance its debt for a total of $4.3 billion. However, the drop in oil prices in 1986 seriously hampered Ecuador's ability to pay; therefore, the authorities announced in late December the beginning of new efforts to renegotiate the debt. Two thirds of Ecuador's foreign exchange earnings come from oil, the average price of which dropped form $25.90 per barrel in 1985 to less than $12.50 per barrel in 1986. Preliminary figures indicate that Ecuador's exports in 1986 amounted to $2.12 billion because of the slump. Its exports totalled $2.904 billion in 1985 and $2.62 billion in 1984. However, the manager of the Central Bank ruled out the inclusion in the new refinancing agreement of a contingency clause whereby the servicing of the debt would be made subject to the fluctuations in oil prices. "Ecuador does not require this clause," he said.

PAPER CONSIDERS STEPS TO SMOOTH RELATIONS

PY310037 Asuncion EL DIARIO in Spanish 30 Jan 87 p 12

[Editorial: "An Alternative for the State Department"]

[Text] Generally, all statements or declarations issued by the U.S. State Department are cautiously and carefully worded. However, the recent conflictive statement made by the U.S. ambassador to Asuncion has received the express support of the U.S. State Department, despite the fact that it was flawed with "mistakes," particularly overstepping the boundaries of ambassadoral functions and using abusive language.

It must be assumed then that the support of the State Department granted to Ambassador Taylor was prompted by a question of prestige rather than principle because the statement that has caused such a tremendous popular uproar in Paraguay violates the U.S. diplomatic principle of upholding moderate positions. The Reagan administration has upheld this principle when confronted with much more serious situations in other parts of the world. There are many cases in international diplomacy in which great powers have been compelled to support their representatives regardless of the seriousness of their mistakes because of a question of "image" and "coherence."

Just as the State Department is quite severe in its judgement of those regimes that, for one reason or another, do not comply with the democratic guidelines that Americans believe are valid for the entire world, we must admit that the State Department is also usually quite sensitive in analyzing and evaluating the leanings of popular movements, particularly nonleftist movements, such as the one that has evolved here in Paraguay within the Colorado Party. Through numerous statements that are supported by a vast majority, this movement is concerned only about national values, and it does not follow the usual anti-Yankee line that other popular movements uphold elsewhere in the world. Moreover, with the exception of one or two excessively violent comments against Ambassador Taylor, many of the statements that have been made on this issue clearly express a sort of regret over the incident, which has broken a traditional friendship, alliance, and cooperation, that those who have issued these statements do not hesitate to praise.

The development of a popular movement that criticizes the United States but that does not declare itself to be anti-Yankee is a strange phenomenon that must be studied by the State Department and the U.S. Government itself. Perhaps they are already starting to do this through the timely visit of a high-ranking U.S. military officer to Paraguay. This visit may have a soothing effect on the tense U.S.-Paraguayan relations.

At any rate, faced with the choice of either supporting something that may be a diplomatic mistake or acknowledging the nature of a reaction which may be strong but is not hostile and which cannot be exploited by Marxism, the U.S. State Department faces a delicate dilemma. An angry but friendly country is quite different from an angry hostile country.

Therefore, it is up to the United States to find a solution to the problem, and this could be achieved with a mere good-will gesture, such as lifting the inappropriate closing of U.S. markets to Paraguayan products. Perhaps this is all that is needed to ease the tension of the people, for the issue to be forgotten soon, for American prestige to remain unblemished and for everybody to be happy.

GARCIA HOLDS NEWS CONFERENCE ON WORLDWIDE TOUR

PY021758 Lima Television Peruana in Spanish 0150 GMT 1 Feb 87

[News conference held by Peruvian President Alan Garcia at Government Palace on 31 January at approximately 2100 GMT]

[Excerpts] Through you journalists I would like to greet the Peruvian people after 10 days of absence during which, fulfilling my duty as president of the Republic and Peruvian representative, I traveled to different countries to convey the Peruvian word and affirm the Peruvian presence on the international scene which is as important as the domestic scene. There is no policy confined within our borders which is not affected by and, to a certain degree, subordinated to the great international decisions.

For this reason, the president of the Republic must actively and directly participate in the country's diplomacy and international role to reinforce the presence and the voice of our Peru which has a universal calling.

I will always uphold that Peru, which was one of the original civilizations in South America, an empire from which other peoples emerged, has a historical message. Peru also has a modern message, a current message of economic and political sovereignty, and a moral message of reconstruction of social life in Latin America.

In these 10 days, I was able to meet with [Italian] President Cossiga and Italian Prime Minister Bettino Craxi and explain to them the Peruvian and Latin American viewpoints and also discuss some issues concerning railroad transportation, Lima's bulk electric transportation, and the generous cooperative assistance that Italy has granted to Peru.

During the 2nd day of the tour, when I arrived in India, I participated in a meeting which was attended by 9 presidents from different countries in the world: the Yugoslav, the Algerian, the Indian, the Zambian, the Nigerian, the Peruvian presidents. The goal of the meeting was to launch the African Fund program. This is an assistance fund for the black African countries which are suffering South Africa's racial and economic discrimination and domination. As you know, there still is a type of slavery in South Africa which is a stigma and a shame for the human race. The countries bordering on South Africa, countries of black race, are continously attacked by South Africa.

On my way back to Peru, I made a stopover in France to talk with President Francois Mitterrand, a socialist president. I also explained to him the Peruvian proposals.

France is Peru's second largest creditor. We owe France more than $1 billion in both public and private debts; however, in this type of visit the financial-commerical aspect is not the most important feature. Peru has a message which is different from the one an accountant or a banker may have. Politics is something different from dealing with those secondary issues. This was clearly understood by President Mitterrand with whom I discussed the political possibilities of the Latin American unity and future, and the actions we are all now taking in the foreign debt field to defend the Latin American political sovereignty, and that of Central America which is being threatened by the political and military interventionism of a great power.

In France, I was proud to be received by the old La Sorbonne University, its teachers, and its dean, during a ceremony in which I was awarded the university's decoration.

Afterward, I made a brief stopover in Madrid where I had a chance to talk with the king of Spain. Later, I had a long talk with Spanish Prime Minister Felipe Gonzalez and discussed in detail the same issues I had previously discussed with the French president.

Upon returning to Latin America, this morning I had a chance to visit President Jaime Lusinchi in Caracas. Lusinchi, along with all his ministers, received me at the airport. In a house near the airport, he staged a sort of working breakfast to discuss the issues which concern us about the strengthening of the Andean Pact to bring closer our economies and our political decisions concerning the launching of the great project of Latin American unity.

This was a busy 10-day tour which, in my opinion, I made to fulfill my duties as representative of all Peruvians and as representative of this nation which has a universal calling because it is an old culture which needs to link its domestic decisions with the broad international policy in which we cannot resign ourselves to just being a pawn of imperialism, or being mere pieces on a large chessboard, and being moved by the great powers.

We have a right to propose an alternative in the name of humanity and although we do not have economic resources or military forces we do indeed have a moral message and I want all Peruvians to understand that the voice of Peru will be heard. It is not necessary to be very rich or very powerful or own many things to make history. I am sure the voice of Peru will gradually become stronger, a moral guide for the international process.

I would like to reflect on three points.

The first point concerns the foreign debt problem and the international economic system. With all the governors, with all the 14 presidents with whom I had a chance to talk, I reiterated the same issues.

There will not be democracy in Latin America, there will not be a real and possible economic development in each one of our countries until we take the historic step of affirming Latin American unity.

There will not be an industry capable of surviving and overcoming the problems experienced unless we employ great marketing, unless we have the capability to make common decisions which will permit us to treat the richest countries on earth as equals.

In the name of that unity, we advocate that no great power should intervene [in the affairs of another country] using arms, as is the case with Central America. I have repeatedly explained that, concerning the Central American issue, we oppose intervention. We reject the false claims of the U.S. Government. Not because we are anti-North American, but we know that the great U.S. people do not support this hegemonistic and imperialistic concept of those who are now administrating their government. However, we demand that armed influences must be taken off Central America. We must state that we support all the Central American countries in their effort to achieve peace and strengthen democracy as I already said in Nicaragua.

There is a second point which I realized during my tour.

As you know, India is a country with ancient religious and philosophical traditions. I think that it is important for all Peruvians to know that this huge continent, which has a long history of Muslim, Greek, Arian, and aboriginal influences, produced a great leader in this century. This century, India produced a leader who perhaps was one of the greatest human beings of the past centuries: Mohandas Gandhi -- India's Mahatma great soul.

This man, who just owned a pair of sandals, a small tunic, and a pair of glasses, moved the entire country, the poor and abandoned India, which was enslaved by English imperialism, using a slogan. Just using the slogan of disobedience, this man achieved Indian independence without violence. That is to say Gandhi's perseverance and persistence achieved what those who preached violence never accomplished.

We must profit from this teaching of modesty and humility, from a man who sided with millions of poor men in India to make a reflection which, in my opinion, is very important.

This concerns the moral meaning of politics. Quite often, we forget the moral meaning which politics have.

I believe that there will never be a true and thorough revolution unless there is a revolution of consciences.

We must recover the value of spiritual goals. We have been contaminated by a continuous longing to obtain material goods, for increasing our possessions and economic resources. The very rich, the middle class, and also the poor live dreaming of the possibility of accumulating possessions. We live with the illusion of imitating the way of life of those who live in the industrialized countries.

With this bad conscience we will never make a true revolution. We will never be able to remedy our spirits. As long as our consciences experience the continuous longing for possessing more and more goods we will never be able to make a true moral revolution. As is the case with Christianity and with the attitude of Gandhi, the great Indian, we must regain spiritual satisfaction.

Without this basic Christian and spiritual concept we will not be able to construct a new Peru with a clear conscience because this calling to consumerism is leading us to continuous dissatisfaction. It is worthless to speak of democracy or socialism if they just mean increasing the material goods possessed by everyone.

The great goal of every revolution should be the freedom of spirit. I have carefully thought on this recently and I want to share it with all Peruvians. There is no reason for us to imitate the consumerism of the industrialized nations because that way we are bound to continue buying their factories, their industries, to continue borrowing money from them and continue to be their subordinates and dependents. We must formulate a new way of consumerism, more austere, with a new way of life, less eager to possess material goods.

We live continuously dissatisfied. Some people want to have a lot of money or more money and more goods. Other people politically fight to increase their power and their conceited aspiration of power. Other people, who lack money or power, want always to be right and never be proven wrong.

With these concepts we will never achieve anything but to confront each other. We will live attacking and hurting each other. I would not be the Peruvian president if I could not convey to the country the things I think and of which I am convincing myself little by little.

I believe that to renew the national morale not only involves finishing with criminals, with those who abuse, with those who ask for a bribe, with those who ask for a little money to do a favor. That is just one aspect of morale. The true morale is to change these values through education and through the effort of each one of us.

Thus, we must close the gap between what is being said and what is being done. Let us not always repeat the proverb that it's easier said than done. Let us close that gap and let it not become an abyss in our country because we must abandon those false ideas, that is, to possess all the power, or to possess all the money, or to possess all the truth.

The third basic point concerns a basic document released by the Vatican which somehow coincides with what we have been endorsing for a long time.

The Vatican has published a document that is an ethical discussion on the foreign debt. In that document, the Vatican, with the pope's great authority, states that the debt problem is an ethical, historical problem. It is not merely an economic problem. The document states that debtors and creditors are jointly responsible, that is, that not all is to be blamed on either the creditor banks or the indebted nations.

The document concludes by saying that nobody can take the last breath out of an impoverished debtor country, and force it to adopt economic policies which force the people to lose the dignity which comes with a decent standard of living. We have sustained for over 1 and 1/2 years that the country does not refuse to pay its debt. We would not be so irresponsible as to say that we do not owe anything. The debt is unjust and carries high interest, while we are being paid little for our products. We have been charged a lot for the factories, yes, but it is our fault because we requested those loans. It is the fault of our own bad government. We have to accept that responsibility, as responsible people, but we also want to share it with those who are at least partially to blame for the problem, in other words, the large creditor nations and banks.

I am quite satisfied that the Vatican's voice and authority supports the point of view that we must reach an ethical and political solution to the problem of the foreign debt. This is part of the important decision to share the sacrifices imposed by the world crisis, because not only we, the poor countries, must assume all the responsibility. [passage omitted]

TERRORISTS OPEN FIRE ON MANTILLA'S CAR

PY020130 Madrid EFE in Spanish 2234 GMT 1 Feb 87

[Excerpts] Lima, 1 Feb (EFE) -- It was reported here today that a terrorist command last Thursday, 29 January, fired at the car carrying Interior Vice Minister Agustin Mantilla at the Lima airport.

The attack claimed no victims, and it took place the day before APRA [American Popular Revolutionary Alliance] leader Cesar Lopez Silva was murdered, the Lima airport police reported. [passage omitted]

Vice Minister Mantilla's car and two security escort cars, carrying 10 people each, were fired upon as they entered the airport toll lane. The shots came from a green vehicle parked on the other side of the fence that surrounds the airport installations. [passage omitted]

PRESIDENT SANGUINETTI CRITICIZES REFERENDUM

PY021522 Paris AFP in Spanish 1212 GMT 1 Feb 87

[Text] Montevideo, 1 Feb (AFP) -- Uruguayan President Julio Maria Sanguinetti today criticized the referendum to abolish the law that ended the investigations into human rights violations, calllng upon the people to refuse to support it. A signature for the referendum is a signature for rancour and for the past at a time when we have to think about our future and seek reconciliiation, the president said. Sanguinetti added that he wanted to alert those citizens who in good faith might feel they have to sign the referendum. They should, he stressed, know that their signature will make our country turn back to a situation that has already been overcome. He said he does not support the referendum because he believes that it has a spirit of revenge concealed behind a deceitful claim of justice.

The group sponsoring the referendum, which is led by human rights activists, university professionals, and artists, next week will launch a campaign to gather signatures to abolish, through a plebiscite, the law that deals with the crimes agains mankind committed by the military during the de facto regime. The referendum has been supported by the Broad Front, which is a leftist coalition, the former Tupamaro guerrillas, the second largest faction within the opposition Blanco Party (centrist), the unions, and other social sectors.

Blanco Party Faction Favors Call

PY021528 Madrid EFE in Spanish 1619 GMT 1 Feb 87

[Text] Montevideo, 1 Feb (EFE) -- The National Rocha Movement (MNR), which is a major sector within the National, or Blanco, Party -- the party that sponsored the Full Stop Law -- has decided to join the campaign calling for a referendum to abolish it. The MNR congress last night decided to support the referendum. The congress stated that "it is healthy for democracy to let voters sovereignly decide on so controversial a topic and one that involves major principles concerning our sociopolitical life."

On 21 December, the Uruguayan Congress approved a law that ended the trials of policemen and military men involved in human rights violations. Ruling Colorado Party lawmakers and the majority of Blanco lawmakers voted for the law. The MNR, the second largest Blanco Party faction -- after the Wilson Ferriera Aldunate-led For the Fatherland Movement -- is the only Blanco faction that has supported the referendum. MNR leader Senator Carlos Julio Pereira was Ferreira Aldunate's running mate in the 1971 elections, which were the last elections before the coup in 1973.

Uruguayan law sets forth that the signatures of 550,000 voters -- 25 percent of registered voters -- must be gathered over a 1-year period to call for a plebiscite. The campaign for the referendum, which has been sponsored by a national commission that was created on 29 January, has been endorsed by the Broad Front, a leftist coalition and the third largest Uruguayan political grouping, by the former Tupamaro guerrillas, by the main labor organization, and by organizations of mothers and relatives of missing detainees.

President Sanguinetti said in a speech yesterday that to support the referendum "is to sign for rancour and revanche, and to bring to our country, which is now looking at its future, the ghosts of the confrontations of the past."

Vice President Discusses Issue

PY021909 Montevideo Radio El Espectador Network in Spanish 0930 GMT 2 Feb 87

[Excerpts] Vice President Enrique Tarigo has said that the Armed Forces do not aspire to power, and that the consequences [of the de facto regime] are not serious. After a ceremony during which the new Army commander in chief assumed power, Tarigo said that the referendum to abolish the Full Stop Law is a contradiction because the country has made a decision through its representatives. From a political viewpoint, it is a contradiction because the referendum seeks the reconsideration of an issue to which the country has granted a full stop and because the nation believes this step is both practical and constructive. Concerning the Movement of Rocha [MNR] decision to support the referendum, Tarigo said: We could still be discussing the issue (?in 1 year) and return to the same situation as we are now. He said there are plans underway and that all the military regulations will be revised in due course.

Outgoing Army Commander Lieutenant General Hugo Medina, who has retired, thanked the traditional parties for approving the Full Stop Law. [passage omitted] The incoming Army commander in chief, Lieutenant General Carlos Berois, said that he will strive to turn the Army into a solid foundation for the integrity and security of the fatherland, of the institutions, and of the entire nation. Berois added that despite the total integration of the Army into society, there are actions that impair peaceful coexistence. He said: We must be ready to support the government whenever it asks us for support, preventing both the government and the Army from being caught by surprise.

BANCO REPUBLICA PRESIDENT ON FOREIGN DEPT PROBLEMS

PY172021 Montevideo LA HORA in Spanish 10 Jan 87 p 4

[Text] Ferderico Slinger, president of the Banco Republica, has said that the foreign debt cannot be paid under the present unfair international trade conditions created by the creditor countries. Regarding the threatening statements made by U.S. Treasury Secretary James Baker, who rejected any type of cancellation of the foreign debt, Slinger said that the creditors will not gain anything by losing their tempers or banging on the table.

In statments made to a television channel, Slinger said that the foreign debt is closely related to international trade. This cannot be ignored by the creditor countries who should sit around a negotiating table and talk about the problem. In most cases, the president of the Uruguayan state bank said, the debtors are not guilty of their indebtedness or of their inability to pay, the responsibility falls on the protectionist trade policies applied by the creditors. The debtor countries will not be able to grow, which means a better standard of living, if the international trade conditions persist. They will obviously not be able to pay the foreign debt, no matter how much the creditors yell. "The foreign debt, I believe, cannot be paid at the present time. Some countries will merely pay the interest, while others will have difficulties even doing that," he said.

Slinger had previously said one has to be realistic and speak clearly about the problem. He again emphasized that the protectionist international trade policies applied by the northern countries are to be blamed for the inability of the southern countries to pay their foreign debts. Slinger concluded by saying that if the debtor countries are not allowed to generate the funds they need to pay their debts through a just commercial exchange, they cannot be asked to pay their foreign debt.

LUSINCHI MEETS WITH JAMAICAN FOREIGN MINISTER

PA230410 Caracas Television Service in Spanish 0000 GMT 23 Jan 87

[Text] Venezuela will continue to be a reliable oil supplier for the Latin American nations, particularly for the Caribbean islands within the framework of the San Jose Agreement. President Jaime Lusinchi reaffirmed this to Jamaican Foreign Minister Hugh Shearer.

[Reporter Martin Pacheco] The high-ranking Jamaican official, who is also the minister of foreign trade and the deputy prime minister, held a 90-minute meeting at Miraflores Palace with the Venezuelan president. Bilateral relations, the need for improving energy and trade agreements, and the critical situation resulting from the Latin American countries' foreign debt were some of the topics discussed during the conversation. Acting Foreign Minister Dr German Nava Carrillo attended the meeting, as well as Headley Brown, president of the Bank of Jamaica; Eric Frank Francis, secretary of the foreign ministry; special ambassador (Meyer Matanol); and Vilma McNish, Jamaican charge d'affaires in Venezuela.

Mr Shearer said the oil issue was broadly analyzed with the Venezuelan president, and he emphasized the support Venezuela has given his country through the San Jose Agreement.

[Begin Shearer recording in English with superimposed Spanish translation] We have been participating in the San Jose Agreement for several years, and it has been of great help to Jamaica in all of its economic development programs. We are in a position to fulfill the conditions required by the San Jose Agreement. [end recording]

[Pacheco] The Jamaican deputy prime minister is scheduled within the next few hours to hold several important meetings with representatives of the economic cabinet, legislative officials, and private economic sectors. He will also visit the SELA headquarters. This tour naturally has to do with the progress of his country's economy, and within the framework of strengthening relations with our country.

BRIEFS

PETROCHEMICAL PRODUCTION REPORT -- Manuel Ramos, president of Petrochemical Company of Venezuela, Pequiven, reported on this state enterprise's performance in 1986 and its plans for 1987. He said that gross production in 1986 totaled 2.03 million tons, sales were in excess of 1.95 million tons, and revenue was 4.25 billion bolivares. He said Pequiven has 3,345 workers. Compared to 1985 figures, production increased 27 percent, sales 22 percent, and revenue 24.9 percent. Investments increased 47 percent. For 1987, Pequiven will set into motion 11 projects, including the establishment of an ammonia plant and another to produce MTBE [methyl tertiary butyl ether], an additive that increases gasoline octane to replace lead; polipropylene, ethylene oxide, glycol ethylene, chlorine soda production plants, and others. These will be either mixed or fully state concerns. [Summary] [Caracas EL NACIONAL in Spanish 7 Jan 87 p D-6 PA]

NEW MINISTRY REPLACES OLD MINISTRY -- Today at the Miraflores Palace, Dr Virginia Olivo de Celli was sworn in as family minister. The Family Ministry replaces the Youth Ministry. [Summary] [Caracas Television Service in Spanish 0000 GMT 31 Jan 87 PA]

MEETING RESULTS WITH U.S. TERMED 'CRUCIAL'

PA030035 Mexico City UNOMASUNO in Spanish 30 Jan 87 p 13

[Editorial: "Bilateral Tensions"]

[Text] In the face of increasing tensions with the neighboring country to the north, Foreign Secretary Bernardo Sepulveda firmly reiterated "Mexico's right to disagree," because this right involves our nation's real and profound concerns, interests, and values. In this case, it is a matter of relations between two nations that are different in their formation and degree of development. Because they are different cultures, the two countries sometimes generate contrasting views.

Mexico's intention is to preserve a profound, mature, and mutually respectful policy that recognizes such differences objectively, without creating conflict over them. Being neighbors can be useful for the two countries. This geographic situation requires, undoubtedly, just and objective approaches. It also calls for actions supported by constructive and constant communication.

This is the reason for the installation and strengthening of the Binational Commission that has concluded its sixth meeting. This forum is a mechanism of consultation currently used on a political level. The meeting was headed by the Mexican foreign secretary and U.S. Secretary of State George Shultz. It was tasked with evaluating and guiding the bilateral relationship in all aspects. Many important problems have been solved between the two countries through this instrument of communication. This meeting led to the signing of agreements on the protection of the environment in the border area and the lifting of the U.S. tuna embargo.

In this meeting just as in others, Mexico agreed with the United States on the importance of finding a satisfactory agreement. However, Sepulveda mentioned that minority sectors of the U.S. political sphere have not heeded to this call.

Bilateral trade; the foreign debt; border issues; the contamination and the struggle against the production, trafficking, and distribution of drugs were some of the main issues on the agenda for the meeting. Our country insisted, in each case, that the differences that stem from our proximity show the need for new and more equitable terms of coexistence and, above all, a need to recognize more options. A better understanding of this could move the White House to propose solutions that avoid the obstacles, confrontations, and isolation of the recent past.

For this reason, the conclusions of the Sixth Binational Commission meeting could be crucial in determining the type of negotiations that must be undertaken, always safeguarding the national sovereignty of each country.

Official Says Talks 'Positive'

FL021537 Mexico City NOTIMEX in Spanish 1619 GMT 1 Feb 87

[Text] Mexico City, 1 Feb (NOTIMEX) -- Miguel Angel Gurria, director general for foreign credit at the Mexican Secretariat of Finance and Public Credit, has stated that the Mexico-United States meeting turned out to be one of the most positive meetings in recent times.

On his return from Washington, where he took part in the meeting, Gurria said that the U.S. delegation showed a great deal of interest in supporting solutions to Mexico's trade and economic problems. He said that this sympathy on the part of the United States was made evident by the fact that it will begin talks with small banks to ensure that they fulfill their obligations in the $7.5 billion-financial package finalized with Mexico.

In this connection, he reported that 300 credit institutions have agreed to contribute with resources to our government's financial programs for 1987 and 1988.

FURTHER REACTION TO ELLIOTT ABRAMS' REMARKS

Viewed in Historical Context

FL311945 Mexico City NOTIMEX in Spanish 1546 GMT 31 Jan 87

["Editorial contribution" by Javier Romero entitled "International Courage"]

[Text] Mexico City, 30 Jan [date as received] NOTIMEX -- Mr Elliott Abrams wants to "lefticize" us, and anyone who tries to "un-lefticize" us better be a good "un-lefticizer." It is thus, as a tongue twister or a joke, that we might take the stunning theory according to which Mexico and Peru have formed a leftist front to induce Latin America to favor the Nicaraguan regime. This would be simply laughable were it not for the fact that this one Abrams is the assistant secretary of state for inter-American affairs and, consequently, is a spokesman for Ronald Reagan, ultraconservative president of the United States.

Once you learn who this personage is, anyone with a minimum of national consciousness will perceive that this is dangerous pressure. It would also explain the use of other economic and political mechanisms to try to alter a behavior, a line supported by history, in the tradition of full support for the self-determination of peoples (I do for you today, and you do for me tomorrow). The Abrams method is nothing new. We could easily find other examples in the times of Calles, or better yet Cardenas. But all you have to do is take a quick look at what happened exactly a quarter of a century ago, when Adolfo Lopez Mateos governed, far removed -- as now -- from any bolshevism.

On 22-31 January 1962, the Eighth OAS Consultative meeting was held in Punta del Este, Uruguay. It was a meeting of foreign ministers from the United States and Latin America called to pass (predetermined) judgement on the newly-born Cuban regime. Just before the meeting, on 19 January, the Governments of Mexico and Argentina lodged diplomatic protests against the United States because their embassies in Washington had been painted all over with hammers and sickles. The two governments opposed the application of sanctions against Cuba, described by the United States as the focus for communist infiltration of. [sentence as received]

U.S. Secretary of State Dean Rusk arrived in Punta deL Este on 21 January. He made statements, exerted pressure, and insisted on quarantining Cuban communism. Some Uruguayan newspapers echoed his words and said that it was strange to see the Aztec country a party to communism.

After the meeting began, Mexican Foreign Secretary Manuel Tello wielded the thesis of the incompatibility of the Cuban state -- which had just declared itself Marxist-Leninist -- with the OAS, whose countries adhered to representative democracy.

It looked like the decline of Mexican policy. Years later, in his book "Mexico, an International Posture," published in 1972, Tello himself tried to justify that position with the argument that the American campaign accusing the Mexican Government of communist leanings that made it favor Cuba had to be silenced.

Nevertheless, with Cuba out of the OAS, Mexico refused to go along with the sanctions and opposed viewing the Cuban people as criminals for choosing their own regime. In July 1964, when Lopez Mateos was still in power, the OAS boycotted Cuba economically and politically on Washington's orders. Mexico alone maintained relations and wrote one of the most courageous pages in the history of its foreign policy. Vicente Sanchez Gavito, then Mexican delegate to the OAS, said: When one wages a battle the way we have this one, one wins in the long run.

Today Mexico is not alone. Like Mexico, with Mexico, the governments of seven other Latin American countries seek a peaceful solution to the Central American question. With them are the secretary general of the United Nations and the secretary general of the OAS, which had lost so much because of its docility whenever it heard the imperial voice.

At home, this Abrams, like other Abrams' in history, has served as a reagent in the nation's spirit. Spokesmen for the PRI, for the leftist parties, even the rightest PDM [Mexican Democratic Party] have denounced this intolerable meddling, which though only a weak epithet, without the slightest ounce of truth in it, hides much sharper interventionist claws. Only the PAN [National Action Party] has refused to condemn it, and it stands alone.

Rosenzweig on Lack of 'Authority'

PA301926 Mexico City EL NACIONAL in Spanish 28 Jan 87 p 2

[By Bernard Becerril and Javier Vasquez]

[Excerpt] Foreign Under Secretary Alfonso Rosenzweig yesterday said upon leaving for Washington that Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, lacks moral and official authority to criticize Mexico.

Rosenzweig said that the official position of the U.S. Government will be stated tomorrow, when U.S. Secretary of State George Shultz and Mexican Foreign Secretary Bernardo Sepulveda Amor meet.

He explained that the two officials head the delegations that will take part in the mixed binational meeting. Hector Hernandez Cervantes, secretary of commerce and industrial development, and Attorney General Sergio Garcia Ramirez will also attend the meeting on behalf of Mexico.

Our government cannot be guided by improvised and unauthorized statements by that official. George Shultz' official position will be the one given [la que se diga] in regard to these statements, said Rosenzweig. In addition, he remarked that the Mexican - U.S. meeting will take place in an atmosphere of constructive dialogue to find solutions to the problems prevailing within this framework.

Rosenzweig said that Foreign Secretary Sepulveda left Sunday for New York for a visit to the United Nations. He then left for Washington for this important meeting. [passage omitted]

EXCELSIOR Editorial

PA300248 Mexico City EXCELSIOR in Spanish 26 Jan 87 p 6-a

[Editorial: "No to Meddling"]

[Text] The leftist opposition parties and Samuel Ruiz Mora, secretary general of the National Federation of Labor Organizations [Federacion Nacional de Organizaciones Sindicales] have responded to the criticisms expressed by EllioTt Abrams regarding our country. Representatives of the PPS [Popular Socialist Party], PSUM [Socialist Party of Mexico], and PST [Socialist Workers Party] have all said that the open meddling by the United States in Mexico's internal affairs is intolerable, and that Foreign Secretary Bernardo Sepulveda must present a protest note over those statements, "which offend our country." Ruiz Mora's statement was identical: "It does not fall to the United States to judge or criticize the policies of a free, sovereign, and independent nation."

It is regrettable that the most conservative sectors of the U.S. Government have tried to question Mexico's action regarding the Central American conflict. Their intention is clear: To resume pressures against Nicaragua now that the flow of financial resources already approved by Congress could be frozen because of the effect of the Irangate scandal and other investigations that place the contras in a difficult position. But Washington should know quite well that Mexico's foreign policy contains only impartiality and the political willingness to avoid a war that certainly would be tragic to the interests of the isthmus, the United States itself, and Mexico. It is wrong to try to see in our country's diplomacy a pretext to satanize [satanizar] ourselves and make ourselves the objects of a new wave of pressures. This type of attitude will not lead to a more appropriate policy toward the Spanish-speaking subcontinent, which today is involved in a recession and threatened by a possible war on the isthmus.

DIRECTOR, ENERGY MINISTER DISCUSS PEMEX

PA311705 Mexico City XEW Television Network in Spanish 1300 GMT 31 Jan 87

[Text] The federal government has decided to maintain a policy of real prices. This measure is aimed at protecting PEMEX and public finances.

At the end of a meeting during which the oil industry was evaluated, President Miguel de la Madrid said that PEMEX is a solid pillar of our national sovereignty and a fundamental support for Mexico's development.

President de la Madrid stressed that the nationalization of Mexican oil is irreversible. He added that although PEMEX has had to cope with difficult years, it has always rendered clear economic and financial accounts to the Mexican people.

PEMEX Director General Mario Ramon Beteta and the company's deputy directors summarized the institution's current situation and achievements during the last 4 years, as well as short and long-term projects and prospects.

Meanwhile, Alfredo del Mazo, Mexican secretary of energy, mines, and parastatal industry, said that Mexico is doing its part and has contributed to the recovery of oil prices on the international market.

MARIJUANA BURNED IN ARMY ANTIDRUG OPERATION

FL270422 Mexico City NOTIMEX in Spanish 0121 GMT 26 Jan 87

[Text] Mexico City, 25 Jan (NOTIMEX) -- The Mexican Army has reported that it incinerated 119,400 marijuana plants planted on 10 meters in the locality of Compostela in the western state of Nayarit. It added that these actions are part of the permanent anti-drug-smuggling campaign and the operation called Hare. The marines located over 87,000 plants in six fields of 7,325 square meters with 12 50-centimeter high plants per square meter. Another patrol located, in the northen bank of the Punta Raza lagoon, 31,900 plants in two different fields encompassing an area of 2,100 square meters with 15 plants per square meter. Likewise, it indicated that two U.S. vessels transporting drugs were captured by the anti-drug-smuggling operation being conducted in the Mexican Caribbean. The first of them, Aires, was detained near the Isla Mujeres coast. There were five individuals aboard, four of Cuban nationality and one U.S. citizen. Residues of the drug were found in the vessel's hold. The second vessel was captured in Playa del Carmen, in the southeastern state of Quintana Roo. The vessel carried aboard 140 kilos of drugs. The Queen Liverpool was manned by an American.

BRIEFS

TRAFFICKERS ESCAPE -- San Fernando, Mexico 24 Jan (NOTIMEX) -- An emergency landing of a four engine plane allowed the Federal Judicial Police to discover a 3-ton cargo of marijuana at a communal farm located 25 km west of the San Fernando Municipality, in the northeastern state of Tamaulipas. This was reported by the commander of this settlement, Joaquin Salvador Gælvan. However, he explained that the drug smugglers managed to escape and took with them at least 2 and 1/2 tons of the load. He added that the aircraft made an emergency landing last Tuesday [20 January] in a San Francisco communal farm field because of a rain storm that was affecting the area. This fact was not reported by the peasants until Thursday [22 January] night. He said the drug traffickers took advantage of this to resuce 2 and 1/2 tons of the marijuana and take it to an unknown location. [Text] [Mexico City NOTIMEX in Spanish 0100 GMT 25 Jan 87 FL]

TRADE TIES WITH PERU -- Mexico and Peru signed an expanded trade agreement yesterday. In this agreement, the two countries are granting greater tariff privileges, including new products in their trade. Mexican Commerce and Industrial Development Secretary Hector Hernandez Cervantes and Peruvian Foreign Trade Minister Enrique Cornejo Ramirez signed the agreement. [Summary] [Mexico City EXCELSIOR in Spanish 28 Jan 87 pp 4a, 35a PA]

MONEY SUPPLY LEVELS -- The nation's money supply (M-1) jumped 65 percent in the 12 months ending December 1986, according to the Banco de Mexico. The increase was the highest ever recorded in Mexico's history, topping the 62.1 percent registered during former President Jose Lopez Portillo's last year in office. It is also above the 63.1 percent registered during De la Madrid's second year in office. The M-1 Dec 1984-Dec 1985 growth was 50.8 percent. In the 12 months ending in November, the Banco de Mexico revised its M-1 figure to 57.8 percent. Banco de Mexico originally reported a 56.9 percent increase. The lowest increase recorded this year came for the 12 months ending in September, when M-1 rose 42.7 percent. M-1, the narrowest measure of the money supply, is the sum of cash in circulation and checking account balances. [Excerpt] [Mexico City THE NEWS in English 17 Jan 87 p 1 PA]

EDITORIAL SEES REAGAN AS 'WEAK AND FRUSTRATED'

PA291611 Panama City CRITICA in Spanish 29 Jan 87 p 4

[Editorial: "Reagan: Weak and Frustrated"]

[Text] Ronald Reagan's latest public appearance before both houses of Congress, when he finally accepted his deception and took upon himself all the responsibility for the controversial "Irangate" case, appears to be his definite political downfall.

A weak and frustrated Reagan appeared before his country's television cameras, despite all his professional acting efforts. This clashes with his "winner" image which he no longer projects to the U.S. and the world simply because of the many mistakes he has made.

The scrutinizing U.S. press, the strong attacks by the Democrats, the international pressure cornering him will end up taking him down a one-way street, because what is now at stake is the Presidency of that great country, which the Republicans are sure to lose.

Nicaragua has proved to be very costly for the former actor. Interventionist policy should never be used, much less in underdeveloped countries, but attempts have been made to solve conflicts with violence instead of dialogue and peace; the latter being the wisest way.

The United States, with all its war power and with all its indisputable economic power has lost all moral authority to continue leading democracy, which demands political understanding and justice in its assessment of the economies of the peoples, and also a sense of respect for other countries, -- in other words, the people's right to self-determination.

From the political point of view, Reagan's State of the Union address has only served to open to presidential door to the Democrats.

GOVERNMENT CLOSES BORDER WITH COSTA RICA

PA031200 Panama City Televisora Nacional in Spanish 0000 GMT 3 Feb 87

[Text] The Panamanian Government today ordered the closure of the border with Costa Rica. This measure was taken because an agreement signed by the finance ministers of both countries 2 weeks ago has been broken.

A government spokesman stated that the problem stems from the fact that the Costa Rican Government revoked the authorization for Costa Rican tourists to reenter Costa Rica with items purchased at Paso de Canoa across the border. The spokesman added that this descriminatory policy harms Panamanian commerce and would not be accepted. He emphasized that Panama will not allow the entry of Costa Rican products.

EL SALVADOR

FMLN ISSUES COMMUNIQUE ON AVALOS RELEASE

PA022333 San Salvador Radio Cadena YSKL in Spanish 2130 GMT 2 Feb 87

[FMLN "Communique" read by "FMLN spokesman" -- recorded]

[Text] A total of 57 people's leaders have obtained their freedom.

1. The release of Colonel Omar Napoleon Avalos was granted by the FMLN in exchange for the government abiding by the following commitments:

The release of 57 leaders of trade union, cooperative, labor union, and human rights institutions who were unjustly imprisoned.

The evacuation from the country of 42 FMLN fighters and disabled prisoners of war, who had been captured by the Armed Forces while they were receiving medical attention under the protection of the International Red Cross.

Recognizing the rights of all the disabled POW's to be evacuated without being subject to negotiations or exchange.

A prompt solution to the cases of Jaime and Vladimir Centeno Lopez, whom the police corps have falsely involved in the case of Col Avalos.

In addition, the government released 15 leaders and members of people's organizations during the negotiations.

2. The conclusion of this case is the culmination of another chapter in our struggle for the defense of human rights, in view of the arbitrary and illegal conduct of a government and Army that are against the people. The government and Army have made repression and genocide the main theme of their policy, in order to remain in power, and continue waging the war against the people. It has been uncovered that during the Napoleon Duarte government, citizens captured by the police corps continue to disappear, the people's movement has been repressed, and thousands of Salvadorans continue to be imprisoned without any trial or any right to an effective defense.

3. The agreement for respecting the rights of the wounded and the crippled has been demaned from the Christian Democratic government. The government must respect the international laws on the humanitarian treatment of prisoners and those wounded in combat, the medical personnel, and the military hospitals as established by the Geneva War Conventions of 1949, and in the second additional protocol of 1977, that this government has repeatedly violated, as has been charged on numerous occasions before the UN General Assembly.

4. These agreements, that are the achievements of the revolutionary fighters, could have been concluded during a dialogue between the government and the FMLN-FDR. However, the refusal on the part of Napoleon Duarte, the high Army command, and their sponsors in the Reagan administration have made it impossible. Furthermore, they have irresponsibly violated the agreement on the war disabled and prisoners that was adopted by the two parties at the Ayagualo meeting on 30 November 1984. Now, our people and the international community will be able to judge in the future who is abiding by the commitments and who is violating the agreements that are signed.

On his part, Msgr Rivera y Damas -- the guarantor of this agreement -- and the International Red Cross will be able to guarantee the enforcement of the agreement without any restrictions.

5. The FMLN reiterates it will remain alert to see that the government abides by the commitments made during these negotiations. The FMLN will not abandon the struggle to clarify the whereabouts of the missing persons and obtain the release of the thousands of political prisoners in the country.

The FMLN demands the personal and moral safety of the leaders of the mass organizations that have been released, and that they be allowed to rejoin their work activities, political activities, and family life. The FMLN reiterates that it will continue struggling for the political, economic, and social rights of the oppressed people, workers, peasants, teachers, and others.

6. We wish to recognize the representative of the Catholic Church, the International Red Cross Committee, and the Latin American Governments of Mexico, Panama, and Cuba who contributed positively to the culmination of this chapter for the defense of human rights.

[Signed] Morazan, El Salvador 2 February 1987, FMLN General Command

GOVERNMENT RELEASES 57 PRISONERS FOR COL AVALOS

PA030230 San Salvador Radio Cadena YSKL in Spanish 2327 GMT 3 Feb 87

[Text] This is Raul Beltran reporting. A total of 57 prisoners, who had been charged with various political crimes, were released at 0455 local time this afternoon. They left the Mariona prison accompanied by International Red Cross members and the San Salvador Auxiliary Bishop Msgr Gregorio Rosa Chavez. The group reached the nongovernment Human Rights Commission, where one of those released, Herbert Ernesto Amaya Sanabria, speaks about his experience as prisoner for several months. Good afternoon, Herbert. Will you tell us your views about your release today, the conditions under which you were released, and the assurances that you were given, considering that you and the others have been exchanged for Col Omar Napoleon Avalos?

[Begin recording] [Amaya] We have been released largely because of the demands of all labor and trade sectors, and the international community. This was our right because there is no reason why the defense of human rights should be considered a crime. We were violently wrenched from our activities. We will continue to work for the defense of human rights systematically violated by the Salvadoran Government. We will not be stopped. Our motto is that our voice will never be silenced. We will continue to work on this.

[Beltran] You people will stay in the country. Are you afraid of reprisals?

[Amaya] We will stay in the country. We hold the government responsible for whatever actions are taken against those who have been released, including the members of the human rights commission. We have the genuine right to defend the interests of workers as trade union members. The very fact that we were detained constitutes a violation of these rights.

[Beltran] You were held in prison for about 1 year. As far as we remember, you were detained in May of last year. Many have said that being a prisoner makes people change their minds regarding a particular task, regardless of its nature. Will you please tell us about your experience as a prisoner and about being released under the protection of the International Red Cross and the Catholic Church.

[Amaya] Certainly, being in prison is an experience for all who struggle for justice. It has been a very positive one for us, not because we enjoyed being a prisoner, but because we have seen more clearly our determination to struggle for justice and to defend human rights.

[Beltran] Will you continue to work with the nongovernment Human Rights Commission? Will you make an appeal to the government? The government insists that this commission is a militant representative of this country's leftists.

[Amaya] I think the government will maintain this position. The government tries to justify the destruction of workers' unions, cooperatives, and humanitarian organizations by accusing them of being allied to the rebels. We are not FMLN members. We are members of organizations struggling to defend human rights, just as workers are trade union members and peasants area cooperative members. They are genuinely entitled to defend their interests. At this time there is a situation that affects workers because people are being persecuted. People are entitled to demand higher salaries, better social benefits, and to build their own destiny. This can never be denied. It is contemplated in the various international juridical instruments dealing with human rights.

[Beltran] Herbert, considering your remarks and knowing that you will continue to work for human rights in El Salvador and now that 57 political prisoners have been released, we would like to know whether some of those detained want to join the armed struggle. Do all of you want to continue living a normal life with your families?

[Amaya] No. All of us have our minds set on returning to our jobs. The members of cooperatives will return to their cooperatives to defend their organization. The trade union members as well as all the members of the humanitarian organizations will return to their own organizations, as in my personal case, the human rights commission.

[Beltran] So you will also be returning to your family?

[Amaya] I think we all want this as soon as possible. Unfortunately, we do not want this to happen again. We do not want these things to happen because our children and the family are affected. Most of us were detained in plain view of our families. The rights of our children and families have also been violated. In addition, workers need to earn a living. Let us remember that in our country, most of those captured must economically sustain their families. His family has also been affected. This is the situation of all Salvadoran political prisoners.

[Beltran] There is no state of siege in the country. This means there is freedom of movement and expression. All of the basic freedoms have been recovered here since there is no more state of siege. What do you think about this?

[Amaya] I think this is relatively true. We cannot base our posture on the basis of the existence or nonexistence of the state of siege. Regardless of whether there is or is not a state of siege, the Salvadoran Government will continue to violate human rights because this is the mechanism that it uses to stop or check the increasing popular unrest. The economic crisis affects all of the social sectors. [end recording]

Also at 0455 local time, Col Avalos, Msgr Arturo Rivera y Damas, German Archbishop Msgr (Emile Stehl), and International Red Cross members started down from Perquin to San Francisco Gotera, where we estimate they will arrive in about 5 or 10 minutes. They will board a military helicopter bound for the Captain Gerardo Barrios military school.

Oscar Venancio now interviews Msgr Rosa Chavez. Come in Oscar.

[Venancio] Msgr Rosa Chavez was also pleased by the exchange of guerrilla prisoners for Col Avalos. We asked Msgr Rosa Chavez about this.

[Begin recording] [Rosa Chavez] All is about concluded. [Words indistinct] the president and Col Avalos family.

[Venancio] [Words indistinct]

[Rosa Chavez] All came out well, thank God.

[Venancio] What do you think about this?

[Rosa Chavez] That this is very important in the history of this war. This is an important step not only for the humanization of this war but for the end of the conflict. [end recording]

DUARTE COMMENTS ON ALLEGED SAN MIGUEL MASSACRE

PA311557 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 31 Jan 87

[Text] President Duarte has denied reports about a massacre in the village of Laguna Seca, San Antonio del Mosco Jurisdiction in northern San Miguel Department, in eastern El Salvador. Duarte said: I have been given a report on the investigations, and as General Adolfo Blandon has said, these reports are part of an international propaganda campaign by the leftist sectors. He added that the purpose of the campaign is to present an isolated case as policy.

The FMLN reported that Army helicopters machinegunned civilian villages, killing seven people and wounding several others.

Meanwhile, COPREFA reported that a large guerrilla camp was dismantled in Lislique, La Union Department. As a result of this action, the Army seized weapons, including grenade launchers, explosives, cartridges, rifles of various calibers, Ranger-type uniforms, and other war materiel.

FDR'S UNGO ON GUERRILLA DIALOGUE PROPOSAL

PA241833 Panama City ACAN in Spanish 1641 GMT 24 Jan 87

[Text] Managua, 24 Jan (ACAN-EFE) -- A top Salvadoran guerrilla leader has said in Managua that military advancements can be used to achieve a political solution to the armed conflict that El Salvador has endured for 7 years. FDR President Guillermo Ungo said that the FDR proposed a dialogue to the government of Jose Napoleon Duarte to achieve political solutions for humanitarian reasons.

Ungo, who lives in Panama, said that the guerrilla proposal seeks to prevent U.S. intervention and the prolongation of the war.

The rebel leader made a political-military account of his country's situation and the consequences of the U.S. meddling in the conflict to today's edition of the progovernment morning paper EL NEUVO DIARIO.

Ungo said that although the FMLN victory is not around the corner, all these years of struggle already represent a triumph.

For Ungo, the United States is one of the main reasons the U.S. Government's strategy in El Salvador "has not worked out." [sentence as received]

Guillermo Ungo explained that the guerrilla movement will not succeed any time soon, because the Salvadoran Army "is not on the edge of collapse yet," although "it is deteriorating and wearing out slowly."

Ungo said that the United States is getting increasingly more involved in the war, but that the guerrilla movement has faith it will achieve victory."

GUATEMALA

CEREZO SAYS MILITARY NOT PLANNING COUP

PA030330 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 3 Feb 87

[Text] President Vinicio Cerezo has said that coup d'etat would be disastrous for Guatemala. Today the president of the Republic criticized speculations concerning certain groups that are trying to disrupt his administration, and said that a coup d'etat would be disastrous. These types of speculations would not contribute at all to the tranquillity of the Guatemalans, said President Cerezo Arevalo when denying the reports. He explained that the Army has never promoted or initiated any disturbances or coups d'etat.

The Guatemalan people and newsmen can rest assured that the Guatemalan Army is supporting the democratic institution with great responsibility, said President Vinicio Cerezo as he reaffirmed that there have not been any plans or preparations for a military coup against the current democratic government.

President Vinicio Cerezo also confirmed that there will be some reorganization at various levels of his administration. When asked about probable new changes, the president answered there will be some reorganization in public administration. He refrerred to two specific cases: the public health minister and the culture and sports minister. The former has been confirmed [not further explained], but Culture and Sports Minister Elmar Rene Rojas has not yet been confirmed, although the president will shortly speak with him concerning his resignation. [sentence as heard] President Cerezo did not say if the culture and sports minister would be removed.

GOVERNMENT TO NEGOTIATE WITH UK OVER BELIZE

PA310350 Guatemala City EL GRAFICO in Spanish 30 Jan 87 p 3

[Text] Guatemala will try to obtain something tangible out of the negotiations with the United Kingdom over the territory of Belize, Foreign Minister Mario Quinonez said yesterday.

Quinonez added that Guatemala will not recognize Belize's independence unless there is an honorable agreement by which Guatemala would receive something tangible. If the country does not receive anything tangible, the Guatemalan people will not approve any agreement, Quinonez said.

Foreign Minister Quinonez was asked by journalists whether tangible meant obtaining land or sea territory. Quinonez said that it could be one thing or the other, or both, or a combination. However, he said there were solutions to discuss.

Regarding the topic of Belize, Foreign Minister Quinonez explained that it had already been said that Guatemala will sit down to negotiate with the United Kingdom. We are trying to find an honorable solution for both countries, Quinonez said.

Basically we are trying to see to it that Guatemala does not leave empty-handed and that the Belizean people come out more or less happy, Quinonez said.

The foreign minister said that the most important thing is to hold a referendum to approve any agreement and if the Guatemalan people do not approve an agreement, then all they would have lost would have been the time spent negotiating.

HONDURAS

REAGAN STATE OF NATION ADDRESS HAILED

PA310058 Tegucigalpa EL HERALDO in Spanish 30 Jan 87 p 9

[Editorial: "Freedom and President Reagan"]

[Excerpts] On Tuesday, 27 January, President Ronald Reagan offered new hope for the free nations of the world where moral and ethical values reign, and to those nations in which public freedoms and civil rights are curtailed by absolutist regimes which have been condemned by history and thus are all the more aggressive and repressive. [passage omitted]

This was confirmed on the stated date when, from the podium of both legislative chambers of the United States, he gave his longawaited speech "on the state of the nation," which attracted worldwide attention. [passage omitted]

Referring to the Central American region, Mr Reagan reaffirmed that the cause of liberty is on trial, "and our determination is also being placed on trial. The world is watching how this nation in particular responds, in this case," he stated. [passage omitted]

We presume that when President Reagan says that American "resolution" is on trial in Central America, together with liberty, he is indicating to the American leaders that the republican and democratic heritage formed with so much wisdom and sacrifice by their forefathers will prevail in the political decisions that are to be taken regarding his commitments with those small isthmian states. [passage omitted]

That is why we Central Americans owe a great deal to President Reagan and the American nation. His political firmness, and his sense of commitment as a noble, democratic fighter have contributed enormously, allowing our nations, especially Honduras for which we speak, to reaffirm our commitment to democracy, firmly resisting the progress of the totalitarian forces of Soviet communism and affirming our adherence to the principles of peace and regional harmony. [passage omitted]

COMPARISON OF HONDURAN MILITARY CHANGES REPORTS

Tegucigalpa LA TRIBUNA in Spanish on 14 January, pages 6 and 7, in a series of reports, announces the changes in Honduran military leadership. The LA TRIBUNA reports have been compared with the Tegucigalpa Cadena Audio Video Spanish report published in the 14 January Latin America DAILY REPORT, pages P 8 and P 9, revealing the following variations and providing corrections and additions:

page P 8, paragraph two, line one: ...Colonel Leonel Guiterrez Minera, chief of the Army General Staff; Colonel Leonel Riera...(changing Gutierrez' title and correcting name)

page P 8, paragraph two, line six: ...Force General Staff; Lieutenant Colonel Julio Armando Pavon Rodriguez, commander of the Recablin...(correcting name)

page P 9, paragraph one, line two: ...directed by Colonel Guillermo Thuman Cordon, chief of...(correcting name)

page P 9, paragraph one, line three: ...as of today by Colonel Edmundo Alcerro Prudot. Colonel Thuman's new position...(correcting names)

page P 9, paragraph five, lines one and two: The 3d Infantry Battalion, stationed in Naco, Cortes Department, will be led by Lieutenant Colonel Carlos Banegas Medrano. (correcting name and confirming city name)

page P 9, paragraph six, lines one and two: The 4th Infantry Battalion, stationed in La Ceiba, will be directed by Lieutenant Colonel Alvaro Antonio Romero Salgado, who has been ratified in this position. (correcting name)

page P 9, paragraph eight, lines one and two: The 12th Infantry Battalion, stationed in Cucuyagua, Copan Department, will be commanded by Lieutenant Colonel Mario Amaya Amaya, (chainging name)

page P 9, paragraph eleven, lines one and two: The 2d Artillery Battalion, stationed in Pinalejo, Santa Barbara Department, will be commanded by Lieutenant Colonel Claudio Lainez Coello. (correcting name and confirming city name)

page P 9, paragraph twelve, lines one and two: The 3d Artillery Battalion, stationed in El Zamorano, will be commanded by Lieutenant Colonel Herbert Mungia. (correcting name and city name)

The LA TRIBUNA report also lists Lieutenant Colonel Luis Aslonsto Discua Elvier as commander of the 2d Airborne Battalion, stationed in Tamara, Francisco Morazan and Colonel Ronnie H. Martinez as Armed Forces inspector general.

NICARAGUA

COSTA RICAN OFFICER CONFIRMS BOAT PRESENCE

PA302317 Managua EL NUEVO DIARIO in Spanish 28 Jan 87 pp 1, 12

[Text] Costa Rica -- A high-ranking Costa Rican Officer, who asked not to be identified, confirmed yesterday for EL NUEVO DIARIO the presence of an antisubmarine torpedo boat belonging to the U.S. Army [as published] at Pureto Limon. The torpedo boat is reportedly engaged in civic action tasks.

The officer said that the alleged civic action work is part of the U.S. military support for the Costa Rican Armed Forces and the counterrevolutionary forces that attack Nicaragua from this country.

Upon examining the permanent presence of U.S. naval forces in the Atlantic and Pacific Oceans off the Central American coasts, the Costa Rican officer said: "The U.S. Navy stepped up its espionage and surveillance activities in Nicaragua in the second half of 1986."

He said that the United States usually keeps three ships in the Pacific and two to four ships off the Nicaraguan Atlantic coast.

He said that among the war vessels, which are 400 km off the Nicaraguan coast, there is a maritime command post capable of directing actions against economic and military targets inside our territory.

He said that most U.S. vessels conduct electronic radio surveillance and have contacts with satellites and command posts of counterrevolutionary groups headquartered in Honduras.

He added that aggressive plans against Nicaragua include the threatening presence of large vessels such as the BB-61 Iowa and the Cruiser CG-48 Yorktown.

Finally, he reiterated that the U.S. naval presence in Costa Rica, represented by the antisubmarine torpedo-boat destroyer [as published], which is docked in Puerto Limon, poses another serious threat against Nicaragua.

SOUTHERN FRONT DOCUMENT ON BREAK WITH FDN

PA312101 San Jose LA REPUBLICA in Spanish 27 Jan 87 p 2

[Text] The seven rebel anti-Sandinist leaders of the UNO [Nicaraguan Opposition Unity] -Southern Front and ARDE broke their ties with the FDN and their political representatives because of the lack of assistance in their struggle against the Managua regime.

The decision was announced in a document signed by Commander Fernando "El Negro" Chamorro, Commander in Chief "Leonel," second commander "Ganso," "Navegante," "Oscar," "Pedro Rafa," and "Oscar" of the tactical staff.

The document was signed in El Serrano on 24 February [month as published] 1987, and in it they "inform the free people of the world and call on them."

The text of the document is as follows:

From the mountains of southern and central Nicaragua, the military commander of the UNO-FARN [Revolutionary Armed Forces of Nicaragua] and the military commanders of ARDE hereby address our people and the free peoples of the world to express the following:

1. With high patriotic feelings, in good faith, and in order to contribute to the unity of all the Nicaraguans who are struggling against the Marxist-Leninists of Managua, on 9 May 1986 we signed a military alliance that formed the UNO-Southern Front.

2. At the time we signed that alliance we were promised that massive and immediate aid would be sent to the south, whereas we have not received ny substantial assistance in 2 years.

3. Unfortunately, these promises were not fulfilled, and it was not until 3 months after we signed the alliance that we received a very small assistance, much less than we had been promised. In the last 4 months we have not received any supplies to accelerate our struggle against the FSLN communism.

4. When the $100 million in aid for the fighters was approved, we became hopeful again. However, it has been 90 days (3 months) since the law was signed, and we absolutely have not received any type of military supplies.

5. In view of the abovementioned, we inform the Nicaraguan people and the free people of the world that we have been deceived and that apparently the destruction of the southern forces is sought, because the FDN forces have always received their supplies.

6. We announce to our people that we have decided to maintain our unity as the Southern Front in an independent manner. We will continue fighting with the same spirit -- cost what it may -- making all the sacrifices we are willing to make and loyally supporting and safeguarding the principles of the democratic, revolutionary, and natinalist program of the south.

7. We call on the free peoples of the world, the Latin American peoples, the U.S. people, and the European nations to send us the assistance our suffering people urgently need in order to defeat totalitarianism and build our own future, without any exploitation, oppression, or yielding to foreign interests.

UNO ISSUES 'POSTULATES' FOR ACHIEVING DEMOCRACY

PA210430 Tegucigalpa EL HERALDO in Spanish 20 Jan 87 p 23

[Paid advertisement by the Nicaraguan Opposition Unity, UNO: "UNO Postulates To Achieve Democracy in Nicaragua," issued in Tegucigalpa on 20 January -- passages in all capitals as published]

[Text] 1. NATIONAL RECONCILIATION: This will be based upon a general amnesty to promote the effective return of Nicaraguan exiles to the fatherland, the dismantling of military, paramilitary, and state security structures and other repressive organizations, and the abolishment of, among others, the special courts. It will guarantee the right to life and abolish the death penalty.

2. SOCIAL PACT: That will generate the full development of society, making all Nicaraguans active participants in the national reconciliation and reconstruction and promoting the country's income and the reinvestment of its income for the community's benefit, thus maintaining an equitable participation in the country's wealth.

3. ECONOMIC PLAN: The state will regulate the national economy, and state institutions will complement private enterprise, dedicating their efforts to the service sector, the economy will aim at becoming a market economy, the participation of the different productive sectors of the country will be promoted, and decentralization will be implemented, allowing for the full development of the countryside and the city. Foreign investment will be guaranteed.

4. AGRARIAN REFORM: An agrarian reform will be implemented that will promote social awareness, land ownership, different work methods, sources of production, and the well-being of the large majority of the country's population, the Nicaraguan peasants, considering them the basic factor at the heart of the nation's social harmony and productivity.

5. DE JURE STATE: The de jure state will be based on the equality of citizens before the law, the unrestricted respect of human rights and basic liberties, the independence of the branches of state, and the application of social justice, which will promote national coexistence and the right of all Nicaraguans to improve their standard of living. The de jure state will ratify private property as an expression of natural law and establish state regulation and control over the country's natural resources and especially the protection and promotion of the family as the foundation of Nicaraguan society.

6. POLITICAL PLURALISM: The adequacy of the different ideological trends and political parties duly organized will be guaranteed, encouraging citizen participation in the political elections, which will allow for popular decisions in the election of leaders and forms of government, ensuring the direct, personal, and secret vote by the citizens, supervised by the OAS.

7. SOCIAL STRUCTURE: This will be based upon ethnic, cultural, and religious values, establishing the government decision to grant parents the right to decide what is best for their children, freedom in teaching, and recognition of the historic values of each and every ethnic group in the country, and promoting and encouraging these ethnic groups to increase regional activities and national integrity. Measures and exemptions will be proclaimed to achieve the return of Nicaraguans, especially all the professionals and technicians, who constitute the structural foundation of social security. Religious freedom, union rights, and the right to strike will be guaranteed.

8. ARMED FORCES: A national army and police will be created and will be subject to civilian authority and for the exclusive service of the nation, democracy, and defense of national sovereignty. In keeping with our reality and considering the army as a professional service, freedom fighters and other citizens who so desire may join the ranks, guaranteeing their moral solvency. The final objective is to gradually reduce the size of the army.

9. FOREIGN POLICY: A policy that safeguards peace and strengthens the nation's sovereignty and independence will be adopted. An effective nonalignment will be observed and diplomatic relations will be established with all countries that respect the Nicaraguan people's self-determination.

RAMIREZ VIEWS LOCAL ELECTIONS TIMETABLE

PA240135 Mexico City EXCELSIOR in Spanish 19 Jan 87 p 27-a

[By Stephen Kinzer]

[Excerpt] Managua, 18 Jan -- Nicaraguan Vice President Sergio Ramirez has said that local elections will probably not be held this year as had been announced.

During an interview a few days ago, the official also said that "more for logistical than political reasons, I think the elections will probably be held in 1988."

During the debates on the new Constitution, National Assembly President Carlos Nunez Tellez noted that the government would call elections this year. The statement was published by the official newspaper BARRICADA with banner headlines on the front page of its 20 November issue.

Reacting to the announcement, the opposition leaders began making arrangements for a campaign and, among other things, discussed the possibility of forming an electoral coalition to support their candidates against the Sandinists in leading Nicaraguan cities.

The vice president said that the government still had much to do before the local elections, and added that the National Assembly would have to draft and promulgate a law defining the rights and responsibilities of local governments and reshaping some municipal boundaries. Therefore, he said, the electoral commission will have to draw up the procedures and to train personnel.

"Perhaps by May or June of 1988 the mechanism for voter registration can be set up, as this must be redone from the beginning. The elections will have to be held next year," he noted. Ramirez's statement took the opposition by surprise.

Mario Rappaccioli of the Conservative Party said that "it is quite feasible to hold the elections this year if they wish. Depending on the rules of the game, we are as prepared as they are."

The Nicaraguan vice president said that the voters will elect councilmen by direct vote and that it is not certain whether mayors will be elected directly by the councilmen. He added that the Sandinists will field candidates in each municipality.

BORGE DISCUSSES ECONOMY, REVOLUTION, CHURCH

PA271554 Panama City DIALOGO SOCIAL in Spanish No 196 Jan 87 pp 29, 35

[Interview given by Nicaraguan Interior Minister Commander Tomas Borge Martinez to DIALOGO SOCIAL -- no date or place given]

[Excerpts] [Passage omitted] D.S.: How has Nicaragua confronted the economic political, and military blockade imposed by the United States while making progress in consolidating the revolutionary process?

T.B.: With great difficulties. We have allocated a large portion of the country's resources to the war and we have received international aid from friendly countries. This economic allocation has, of course, affected the economic situation. Apart from the fact that a great deal of the revolution's mental and physical efforts are almost exclusively devoted to defense, economic development plans have all but been abandoned.

Nevertheless, a time came when we became aware of the importance and magnitude of the problem and of the importance of taking an economic development line. Because of this, we are now able to stand on our own feet; not only on the foot of defense but also on the foot of the economy. We are seriously examining the situation and adopting concrete measures to promote the economy.

In other words, there is a contradiction here that must be resolved. In our current circumstances there are serious problems in the area of supply. There is a shortage of products, and solutions to social problems have been given low priority because of the war. The great virtue of revolutionary peoples is that in the midst of these needs and difficulties, they have the intuition and the foresight to defend their country and their historical plan. This explains why, in the midst of these difficulties, the people continue to support the revolution.

D.S.: What factors have caused confrontations between Honduras and Nicaragua?

T.B.: It was foreseen long ago that defeating the counterrevolution carried the danger of a border war developing, with the consequent danger of a confrontation with the Honduran Armed Forces. If we expel the counterrevolutionary forces to Honduran territory, their attempts to return to the country would obligate our forces to remain in the border area, which would be dangerous. Curiously, just when there was a border clash -- a completely secondary incident if we compare it to the seriousness of other incidents -- a crisis emerged and the Honduran Government took advantage of a few insignificant incidents to point out that we were invading Honduran territory. Honduras responded by bombing a few areas of our territory with modern combat planes, killing 7 people and wounding 12.

We prevented the counterrevolutionary forces from entering, and the worried imperialists pressured the Honduran Government to force the EPS to withdraw from the border, thus facilitating the infiltration of the counterrevolutionaries.

This also happened at a very special juncture of the so-called "Contragate" scandal, the U.S. Administration's violation of domestic and international laws. The U.S. Government has tried to create a smokescreen around this problem and that is why it created this conflict on our border with dual intentions. That is the real origin and cause of the conflict.

D.S.: What new elements has the capture of mercenary Eugene Hasenfus contributed to the international outcry?

T.B.: It has contributed to unmasking Reagan's policy. The recent capture of U.S. spy Sam Hall who was trying to enter a Nicaraguan military base will also contribute to this effort.

D.S.: What is the current situation in the Atlantic coast region?

T.B.: The situation has quieted down. The revolution's autonomy plan, in addition to the talks with Misurasata [Miskito, Sumu, Rama, Sandinist Unity] and KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] leaders -- that is to say, with the Miskito leaders -- has resulted in the establishment of a zone of peace on the Atlantic Coast.

The war has all but disappeared in that region and a large number of the rebels have joined the revolutionary process. They are still armed but they defend peace, not the military-type counterrevolutionary plan.

D.S.: How do you view Church-state relations at this moment?

T.B.: They have improved noticeably, because the revolution decided to demonstrate its firmness. Serious, harsh measures were adopted in response to a growing attitude of certain sectors of the Church hierarchy against the country's interests. This had led the Vatican and the Church hierarchy to reflect and set the conditions for negotiations to achieve coexistence between the upper echelons of the Church and the revolution. This entails the need for an overall agreement, which is being negotiated at this moment.

D.S.: What circumstances led to Bishop Vega's expulsion?

T.B.: The same thing I mentioned before. After the $100 million for the contras was approved, Bishop Vega dared to gather a number of newsmen and to express solidarity with the U.S. Government's decision, with Reagan policy. This was an intolerable act that damaged our dignity and the interests of our nation. Without hesitating, we decided to expel him from the country so he could become the counterrevolutionaries' chaplain.

D.S.: How is the Christian faith expressed in Nicaragua?

T.B.: Christanity -- the Catholic sector, the sects, and the Evangelical denominations -- has developed greatly in our country. That is to say, Christian fervor has increased in our country. It is expressed in multitudinous religious events, in patron saint festivities, and other manifestations of the Christian liturgy and activity.

D.S.: There is another controversial subject which is often mentioned. It is the closing of the daily newspaper LA PRENSA. What circumstances led to the closing of LA PRENSA?

T.B.: When the $100 million was approved, Reagan expected us to buckle, but we decided to demonstrate firmness by eliminating a newspaper that was written in Spanish but thought in English; besides, it looked like a U.S. newspaper that was more pro-Reagan than the most pro-Reagan U.S. newspapers. We felt that in view of the war situation we are experiencing -- due to the aggression of the United States and its domestic mouthpiece -- it was necessary to adopt an administrative measure.

D.S.: Is there any possibility that LA PRENSA will reopen?

T.B.: LA PRENSA may return once the war ends. It may reopen once the conditions that led to the measure disappear.

D.S.: What is the significance for Nicaragua of the approval of the first constitution following the victory of the revolution?

T.B.: It is significant not only for Nicaragua but for all Latin America. We have approved a Constitution that is advanced, democratic, very much attuned to the interests of the peoples, and revolutionary. I think it signifies a parting of the ways between a lack of institutional development that was understandable after the victory and the creation of a new set of institutions. [passage ommitted]

D.S.: What is the outlook for Nicaragua and Latin America in 1987 in light of 1986 developments?

T.B.: There are two possibilities: generalized war or attaining peace.

D.S.: What could Central America's situation be in the event of a generalized war?

T.B.: Very painful and dramatic. The war would not only affect Nicaragua. It would be a sacrifice for all of Central, perhaps all of Latin America.

D.S.: What is the message to those in the international community in solidarity with you?

T.B.: We say in Nicaragua that solidarity is the people's gentleness [ternura]. I believe that while our country's disposition toward defense is a fundamental value, [international solidarity] is an invulnerable shield in the defense of the country. Solidarity plays a complementary yet indispensable role in the defense of Nicaragua.

We do not only receive solidarity. We are willing to offer it to the utmost, under the conditions, and at the time or place that any country asks it of us.

COSEP ASKS ORTEGA TO AVOID 'TOTAL COLLAPSE'

PA301305 Paris AFP in Spanish 0352 GMT 30 Jan 87

[Text] Managua, 28 Jan (AFP) -- The Higher Council of Private Enterprise, COSEP, today asked President Daniel Ortega to correct the course of the revolution to avoid the "total collapse" of the country, in which "justice, democracy, and liberty do not prevail at the present time."

During a press conference, the COSEP leaders said that in the past 7 years the Sandinist government "has systematically attacked private enterprise to destroy it."

Gilberto Cuadra, COSEP leader, said: "Mixed economy is on the verge of disappearing because private enterprise is subjected to a sort of economic apartheid."

Using a phrase of the Sandinist commanders, Cuadra said that "the people are already eating grass. We must keep in mind that the people cannot be nourished with only ideology."

He added that in Nicaragua "to produce is the equivalent of committing a crime." He recalled "the innumerable confiscations" that entrepreneurs have suffered.

He also pointed out that despite the "propagandized" agrarian reform, production of food and export goods has dropped, thus making it more difficult for the people to get basic goods in the cities.

Cuadra added that "it is necessary to correct our course and get out from this black and red nightmare." He also said that Ortega would be told about this tonight during a meeting with entrepreneurs and workers.

U.S. ATTEMPT TO THWART C.A. PEACE 'UNACCEPTABLE'

PA301614 Havana International Service in Spanish 2300 GMT 29 Jan 87

["Note" by Amalia Sanmartino]

[Text] The tour by top-level U.S. officials through the Latin American countries and the intense activities by various U.S. allies in Central America are clear indications that a veritable offensive has begun against the peace efforts of the Contadora and Support Groups. Examples of this are evident.

After various conjectures on his regional visit, on which no official information was released, U.S. Southern Command Chief General John Galvin said in Montevideo that Contadora has failed to present any practical or adequate solutions for Central America. This remark confirms not only his open oposition to the peace group's efforts, but also constitutes a clear endorsement of Costa Rican President Arias, who is organizing a meeting with the presidents of Honduras and El Salvador to review the alternate plan recently submitted to the Group of 10. One must keep in mind that this plan, drafted by Arias and his foreign minister, Rodrigo Madrigal, in the United States, fundamentally seeks to pressure Nicaragua into negotiating with the counterrevolution and establishing a government in tune with U.S. interests.

As if this were not enough, within the next several days Honduras, Guatemala, El Salvador, and Costa Rica, which comprise the so-called Tegucigalpa bloc, will be visited by Frank Carlucci, President Reagan's national security adviser, whose mission is to sound out the situation of the mercenary bands and their real possibilities of penetrating into Nicaragua.

Adding the aggressive remarks by the U.S. President against Nicaragua and his express intentions of continuing to support the counterrevolutionary groups to the moves outlined above, the attempt to sabotage the peace effort and the moves to hasten the direct U.S. intervention in Central America are both unacceptable. Also, the efforts by the U.S. officials and allies are being undertaken at a time when the weakness and ineptness of the bands, undermined by corruption, is evident. Nicaraguan Defense Minister Humberto Ortega has reacted to all of this by urging the Nicaraguans to continue to strengthen the country to counter the reiterated U.S. goal of destroying the Sandinist revolution.

GUATEMALAN OFFICIALS DISAGREE ON GROUP'S MEETING

PA011250 Havana International Service in Spanish 0000 GMT 1 Feb 87

[Report by Felipe Valladares, correspondent in San Jose, Costa Rica -- recorded]

[Text] Today it was made known here that there are differences between Guatemalan President Vinicio Cerezo and Foreign Minister Mario Quinones, over the possible particpation of Guatemala in the presidential meeting convoked by Costa Rica, which did not invite Nicaragua.

Cerezo has announced that Guatemala has decided to participate in high-level meetings both in Costa Rica and Nicaragua if he is invited to promote peace in Central America.

However, Quinones has said Guatemala is studying the possibility of participating in the meeting convoked for mid-February by Costa Rican President Oscar Arias, noting that during the period the Guatemalan president has scheduled a trip through South America.

A similar situation emerged recently when Costa Rican Foreign Minister Madrigal Nieto convoked a meeting of the so-called Tegucigalpa group to take place in San Salvador. On that occasion, important Guatemalan Foreign Ministery officials said Guatemala would not participate but later the Guatemalan president said Foreign Minister Quinones would attend the meeting.

Once again, a member country of the Tegucigalpa group -- composed of El Salvador, Honduras, and Costa Rica -- calls for a high-level meeting excluding Nicaragua to study the Costa Rican plan for Central American, which has the go-ahead of the White House.

GUATEMALAN STUDENT BLAMES POVERTY ON GOVERNMENT

PA030420 Havana International Service in Spanish 0000 GMT 3 Feb 87

[Interview with Guatemalan student Tomas Garcia, member of the Guatemalan University Students Association (AEU), by reporter Ramon Chong, date and place not given -- live or recorded]

[Text] [Chong] We are talking with Tomas Garcia, member of the AEU. Garcia, could you give us the current feeling among the Guatemalan student body, in regards to the current situation in Guatemala?

[Garcia] The problem we have right now in Guatemala, of which the entire student force is aware, is the inability of Vinicio Cerezo's government to provide a solution to the Guatemalan people's just demands, and to stop repression. We feel this is a result of the alliance of the Christian Democratic government with the Guatemalan Army, the local oligarchy, and Yankee imperialism. That is why our people cannot rise out of their poverty and why the Christian Democratic government cannot fulfill its promises to the Guatemalan people.

[Chong] Does this repression which you just mentioned also effect the Guatemalan student movement?

[Garcia] Of course. Historically our organization has been attacked. The name which the student association bears is the name of a fellow-student murdered in 1968 -- Polidoro Castaneda De Leon. In 1984, all of the AEU's top leadership was kidnapped when four students were abducted within a 4-day period. Also, the police and the Army come onto the university campus late at night and search students. Overall, we live under very adverse cicumstances which limit our behavior as students.

[Reporter] According to figures published by the government, there is a high rate of suspension [suspensiones] of teachers and students. Could you give us some details about this?

[Garcia] Yes, of course. One of the problems in Guatemala is secondary education. Of the 4,000 teacher positions which, according to a UNICEF study, are needed to meet the most urgent needs in secondary education, only 520 posts were filled. In the country there are 21,000 jobless teachers. The average of students per teacher is 400 to 1. This gives an overview of education in our country. The illiteracy rates are very high. In general, illiteracy has reached 67 percent and in rural areas it is as high as 82 percent. This can give you an idea of the situation of our people, who have no access whatsoever to any type of education, lack culture and any type of human development. They are being prevented from joining the country's productive process. They have been economically sidelined, like the rest of the dispossessed masses throughout Latin America, as a result of Yankee imperialism.

[Chong] We thank Tomas Garcia, member of the Guatemalan AEU for this interview, which he has given to Radio Havana, Cuba. Thank you very much.

NICARAGUAN CHILDREN ACCUSE CONTRAS OF ABUSE

PA021657 Havana International Service in Spanish 1600 GMT 2 Feb 87

[Text] More than 100 Nicaraguan children are ill treated and forced to engage in hard labor at counterrevolutionary camps located in Honduras. Four of these children, who escaped from a base in Honduran territory where Somozists took them by force, made this charge in Managua.

At a news conference, they recounted the atrocities committed against them at La Espanola and Palmerola bases where U.S. soldiers are also stationed. The four Nicaraguan children added that they are threatened with death and murdered, in the end, if they refuse to do the work. Others, they stressed, receive compulsory training to place mines on Nicaraguan roads.

ECUADORAN ENVOY CRITICIZES CONGRESS ON KIDNAPPING

FL030224 Havana Television Service in Spanish 0100 GMT 3 Feb 87

[Text] Ecuadoran ambassador to Cuba Manuel Araujo Hidalgo has granted a news conference during which he explained the situation in his country since last month's kidnapping of President Leon Febres Cordero.

The diplomat disapproved of the action taken by the national congress, which, instead of presenting measures to overcome the dramatic events, approved a resolution that had no constitutional support and which called for Febres Cordero's resignation.

In Ecuador, General Frank Vargas Pazzos, who led an uprising against the government last year, said he did not participate in any way in the kidnapping of Febres Cordero and he never had any intention of disrupting the democratic order.

In statements made clandestinely, Vargas Pazzos said he will be a presidential candidate in 1988.

CASTRO ADDRESSES ANNUAL MINBAS DIRECTORS MEETING

FL312135 Havana Television Service in Spanish 1800 GMT 31 Jan 87

[Announcer-read report over video]

[Text] [Announcer] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, yesterday presided over the annual meeting of directors of the Ministry of Basic Industry [Minbas], who debated the production results of 1986 and the work objective of 1987.

[Video shows Castro sitting at presiding table, speaking] [Castro] This has really been a serious meeting, one of the most serious in which we have participated, as practically all the meetings we have witnessed these days, these past weeks and months, have been serious.

Just one more thing, because I promised you I would be brief. That is that we must firm up the pledge to work as we have agreed to do here. We must meet again next year, after 1 year. And let's do it with more time. Let's start in the morning. You make your report like this one [Castro shows a booklet with blue lining to audience] and tell us how we accomplished everything we have been saying that we will accomplish so we can draw a balance of what we did in 1987, so we can say, not this year but the next, that basic industry is at the vanguard in this rectification process. [applause; those sitting at presiding table and in audience stand up and Castro follows suit, microphone in hand] Let's make the basic industry the first branch to demonstrate that we are acquiring a truly socialist and communist conscience; that basic industry is capable of demonstrating that we socialists and communists are capable of also surpassing the capitalists in material production. [applause]

[Video shows unidentified speaker facing presiding table, which is off camera] [Speaker] Right now we are assembling a plant there in Santiago de Cuba which within 50 days will start producing oxygen, nitrogen, and argon to solve the problems of the eastern region in these three gases.

[Castro] How about the western region?

[Speaker] The situation in the western region is the worst. Here in the region...

[Castro, interrupting] So we are OK where we need it least?

[Speaker] No, wait, I am going to explain. We have contracted for a Japanese-built plant in the western region which should materialize...

[Castro, interrupting] What does that mean, materialize?

[Speaker] The payment for that plant should materialize.

[Castro] I see. So it is contracted but you have no money.

[Speaker] That is correct. That plant is expected for...[changes thought] no, the first payment has been made.

[Castro] Already?

[Speaker] Already.

[Castro] When does it leave Japan?

[Speaker] Once the Japanese here leave. The Japanese are still here. [laughs] Once the Japanese leave, we will have the plant here in 11 months.

[Castro] When will it be assembled?

[Speaker] In 1988.

[Castro] Good. How long will it take?

[Speaker] It will take 1 year and some months...

[Second, off-camera speaker, interrupting] The people of Santiago are assembling it. Here's Julio Cesar. Theirs will be assembled in 3 months.

[First speaker] The plant...

[Second speaker, interrupting] Or 4 months.

[Castro] Why should this take 1 year?

[Second speaker] People in Havana with wishing...

[First speaker, continuing] Commander, the Santiago de Cuba plant has been in construction less than 1 year and 3 months and we are already going to inaugurate it in some 50 days.

[Castro] Well, then start building here. Where are you going to set it up?

[Speaker] Here, east in Havana.

[Castro] Very good. Then, you are going to build another in Cienfuegos. When the Cienfuegos one is ready, what?

[Speaker] With Cienfuegos in operation in 1990, the demand for oxygen will be met...

[Castro, interrupting] Why does it have to be 1990? When will that plant get here?

[Speaker] The first supplies will begin arriving in a few months. The Germans will finish delivering the supplies in 1988.

[Castro] Why does it take until 1990?

[Speaker] Well...

[Castro, interrupting] Man, why can't it be finished by 1989?

[Speaker] It can be done. If we make the effort, we can finish building the plant by 1989.

[Castro, raising both arms] We are in crisis. A growing crisis.

[Speaker] We agree.

[Castro] Meanwhile, what are you going to do to try to meet this demand?

[Speaker] What have we done at present? We have exploited all our capacity, which are those old plants. Ninety percent of their installed capacity is being exploited. What other measures have we taken? Well, we are installing oxyen gasifiers [gasificadoras] to transfer oxygen to the provinces, for example, that have no plants such as [words indistinct] Pinar del Rio and San Cristobal.

[Castro] What is an oxygen gasifier?

[Speaker] A gasifier is an oxygen tank to receive liquid from the La Lisa plant, a system of gasification and pump. This way we don't need scores of trucks to transport oxygen hundreds of kilometers. That means considerable savings for the country.

[Castro] When will you have that all settled?

[Speaker] We have already set up three gasifiers, one in Pinar del Rio, one in San Cristobal, and one in Matanzas.

[Castro] When will you finish installing them all?

[Speaker] We plan to have them all installed in the course of this year, 1987. [end exchange]

[Video shows men wearing hard hats working on pipeline and welding, electric plants, and other industrial installations] [Announcer] The balance of the Minbas' production activities in 1986, the difficulties in important production centers such as the Panchito Gomez Toro paperworks in Sancti Spiritus, the operations of the Santa Cruz del Norte cardboard factory and the Juragua electronuclear plant, and the country's electrification program were the subject of deep reflection at the meeting. There was a lively discussion about the struggle under way in the factories to create correct production habits and eliminate labor indiscipline, increase efficiency, and improve the rational use of the resources at hand, and, above all, to awaken and develop the workers' creative capacity and effective initiative.

[Castro, shown seated at presiding table,] It seems to me that we have made a good review of the work accomplished last year. But there is something much better.

We have reviewed the things we propose to do this year. In fact, well beyond 1987. I would also say that this was an optimistic review. It is clear that despite difficulties we are walking the good road.

We were listening to the statements that we were going to put the Santiago de Cuba refinery into operation, that we were going to inaugurate the first stage of the eastern thermoelectric plant and that the 300,000-kilowatt one was working.

We heard we are going to produce nickel this year because we have defined the specific problems and we have the formulas to solve the problems of the nickel plants, when we see how petroleum is coming along, what's going to be done, how everything is going to improve.

We saw the report on the glass factory, the problems that are being dealt with, and the maintenance problems and costs, and how we are facing the situation where we were having the most difficulty, which is the paper factory.

When we see all that, and when we can sit down here and discuss the possibility of supplying electricity to a million more people than planned and the fact that we have estimated the resources necessary and we have seen that it is possible, that new resources are appearing everywhere -- there are some who say we are going to export $15 million in paper and others say they are going to save 70,000 tons of oil in the new plant, and still others explain that in 1990 we will have a million more tons of fuel -- then I think if we work like this, with our sights set on 1990, 1995, and 2000, we can say that this is going to be the best 5-year period of the revolution. There is no doubt. Regardless of difficulties. Yes, yes.

And we are now working on more rational, economic, correct bases. If we analyze all these things that we have talked about, including those areas in which we have a crisis such as the oxygen and argon plant that is going to be built in Santiago de Cuba, which is going to open this very year, etc, we could say that the year even with all the problems -- droughts and other disasters, and all the measures we have had to take, and the low oil prices, the dollar devaluation, and all those things -- we could say that 1987 is going to be one of the best years of the revolution.

If we work as we have said here we are going to work -- and I think we are going to work -- in the basic industry. And if construction improves in the country, and if health improves. Look at the [infant mortality] rate we had, 13.6 perhaps... [changes thought] this is one of the many we would cite. Maybe we can bring it down. If we overcome the difficulties we have in education. If we work with the same spirit in all the industries, there is no doubt that 1987 will be one of the best years of the revolution.

CASTRO CHAIRS FIRST CENTRAL GROUP MEETING OF 1987

FL311333 Havana Radio Progreso Network in Spanish 1200 GMT 31 Jan 87

[Text] Comrade Fidel Castro presided over the first monthly meeting in 1987 of the central group on Wednesday.

Also participating in the meeting were members of the Communist Party of Cuba [PCC] Central Committee Politburo and Secretariat, the president of the National Assembly, government vice presidents, ministers, heads of the state's central administration organs, presidents of the people's governments provincial assemblies, and chiefs of PCC Central Committee departments, among other party and government officials.

The central group made a detailed analysis of the performance of the current sugar harvest, pointing out that there is no other task more important for the revolution at this time than completing the harvest and planting 30,000 caballerias of sugar cane as planned.

Comrade Fidel highlighted the importance of making a detailed analysis of the factors that have adverse effects on the costs and profitability of the sugar industry. He went on to stress that under the present conditions, it is hard to explain why certain enterprises that are working efficiently are not profitable and yet enterprises that do not perform efficiently show positive balances.

The central group also reviewed the fundamental aspects of the winter harvest of tubers and vegetables, the utilization of by-products and residue of the sugar industry to feed animals, and the limitations that are hampering a speedier development of agricultural production. Comrade Fidel also spoke of the need to work more seriously and effectively in the construction of dams, microdams, and irrigation systems that will make it possible to use reservoirs rapidly and efficiently and to augment the production of rice, beans, and fruit, including pineapple.

UJC DELEGATES SHOW CONCERN OVER DROPOUTS

FL021450 Havana Tele-Rebelde Network in Spanish 1200 GMT 2 Feb 87

[Announcer-read report over video of young people at meeting, Machado Ventura looking through booklet]

[Text] [Announcer] The Union of Young Communists [UJC] is continuing to prepare for its fifth congress. Jose Ramon Machado Ventura, member of the Communist Party of Cuba Politburo, chaired the municipal assessment meeting in Plaza de la Revolucion.

[Unidentifed young woman] Those kids have dropped out of school. They have nowhere to go because sometimes they are not of working age. We have to support them, like a family, in the block, the family doctor -- everybody. As members of the UJC, we cannot reject those kids who hang around the block who are neither going to school nor working.

[Announcer] The analysis of such important aspects as exemplary members and their work in support of production, education, and service tasks was the main goal of the UJC meeting. Attention to young people who are not in school or working and the concern that should be uppermost in the mind of each member about family education, were the subject of special debate by the delegates.

[Unidentified young man] It is true that when a young person drops out, we have to insist on the role of the family. But we must also discuss that young person who cuts himself off from us, from our classroom, from our grass-roots committee.

That UJC member is simply left out, waiting for a job related to his speciality. That is what we can't allow anyone to do. I think that along this line, we must also incorporate profound analysis that you carried out to the effect that one can't only think about finding work for the young person who left school, because we might find him a job, but there's someone else who left the study center or the work place and is a problem that will keep coming up.

Machado Directs Assessment Meeting

FL021440 Havana Radio Progreso Network in Spanish 1200 GMT 2 Feb 87

[Text] Jose Ramon Machado Ventura, member of the Communist Party of Cuba Politburo, has presided over the assessment meeting of the Union of Young Communists [UJC] at Plaza Municipality in Havana City Province. He said the objective does not lie in a general questioning of material incentives, but in questioning the mistakes made in the application of bonuses that do not support true productive achievements and the high overfulfillments of unrevised norms.

The more than 500 delegates attending the meeting devoted special attention to the critical analysis of problems relating to the incorrect payment of bonuses and awards in the state's central administration organs.

CONSTRUCTION HELPERS ATTAIN WAGE INCREASE

FL021350 Havana Tele-Rebelde Network in Spanish 1200 GMT 2 Feb 87

[Announcer-read report with stills of construction activity]

[Text] Following guidelines from our Commander in Chief Fidel Castro, the State Committee for Labor and Social Security has issued resolution No 7 providing for a wage increase for those workers who hold the position of construction helper. The resolution approves an hourly rate of 61 centavos and a monthly wage of 118 pesos, 12 pesos higher than their previous earnings of 106 pesos. This measure benefits 74,862 workers and went into effect yesterday, 1 February.

RETIREES' PENSIONS INCREASE 2 FEBRUARY

FL240155 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Jan 87

[Text] As of 2 February, retirees will receive a monetary increase in their pensions. A resolution made by the State Committee for Labor and Social Security says the supplemental pension allowance is based on a worker's age, total disability, or death.

BALAGUER QUERIED ON CORRUPTION, CUBA, DEBT

PA201752 Mexico City XEW Television Network in Spanish 0530 GMT 16 Jan 87

[Interview with Dominican Republic President Joaquin Balaguer by Jacobo Zabludovsky, director of the AGENCIA ECO NOTICIAS; at the National Palace in Santo Domingo, date not given -- recorded]

[Excerpts] [Passage omitted] [Zabludovsky] Mr President, in August you returned to this country's presidency for the fifth time after 8 years of opposition rule. I have noticed that people I talk to here are amazed at your renewed spirits and energy in establishing a series of measures, starting with anticorruption measures. You have put some military men in their place -- you have denied entry to assistants of yours from years ago. Could you explain what this fight against corruption consists of?

[Balaguer] The country has gone through a period of great political upheavals due to corruption. Corruption is not new here, but this has characteristics never seen before in Dominican history. It has been a general corruption, extending to all official organizations, both in the central government and decentralized agencies. The country, shaken by this wave of corruption, has been taken to the brink of bankruptcy, and has even seen its own democratic system endangered. The country has reacted vigorously and has asked, demanded, I would say, that measures be taken to counteract this problem. When I became president in 1978 following democratic elections, I considered it my first duty to act and take energetic measures to stem this corruption. The entire country backed these measures then as it does now. Lately, not only do the people back these measures, but demand that they be faster and more forceful. All responsible voices, especially that of the Catholic Church, have spoken out against corruption. Santo Domingo Archbishop Msgr Lopez Rodriguez has joined this demand that corruption be stopped through several pastoral messages and all but constant letters to the press.

The first measure I have taken to combat corruption has been to select a government made up of people of untarnished reputation. Most are technocrats and many are under 40 years of age. They either did not take party in previous governments, or they behaved in an exemplary manner in the first years of my previous governments. I have also called upon many of the most active women in the struggle for women's rights in our country and the world. I have formed a cabinet with people who represent the ideas of future generations.

I have excluded from the presidential cabinet and all key government posts those persons belonging to the past, many of whom are tarnished by acts of corruption. This has generated for me a great deal of good public opinion, greatly easing the task I am undertaking, to offer the country an honest administration in which the people know that each penny is being deposited in the public treasury.

[Zabludovsky] Mr President, are the Armed Forces involved in this corruption?

[Balaguer] Here, as in many other Latin American countries, the Armed Forces have been the main center of corruption. Because of their duties, they are vulnerable to corruption. The public treasury's funds are misused. The Armed Forces are composed of several groups: the Navy, Air Force, Army, and Police. They have many people working for them, as they have their own quartermaster, and they make their own purchases. Because of this autonomy, the Armed Forces can use the funds they receive for their own personal use and invest them for their own profit.

This means that they use the funds to make profits in the form of commissions that they receive from the large purchases they make. There are many variables involved in their business, and this makes it very easy for the military to make illegal profits while carrying out their duties.

Here in Santo Domingo, as I believe has happened in many other Latin American countries, this corruption has reached alarming levels. However, during ths government, and during the so-called government of national (?concentration) of the past 4 years, it reached unbelievable levels. Even the leaders of the Dominican Revolutionary Party [PRD], Jose Francisco Pena Gomez, (Dr Avinaber), and Jacobo Majluta himself, have admitted that corruption has harmed the party and that the party must demand that its members who were involved in acts of corruption be accountable for their actions. They have said that they must work to recover credibility and change the image of their political organization. They are supporting the measures I have adopted to fight corruption, stop this evil, and return the country to an environment of administrative decency.

[Zabludovsky] Mr President, how are you fighting corruption within the Army?

[Balaguer] I have appointed General Antonio Imbert Barrera--a man who became a part of our history by participating in the plot against Trujillo that ended 30 years of tyranny--secretary of state of the Armed Forces. Gen Imbert Barrera is the sole survivor of that feat and, as I have said, Imbert Barrera is a man with a vivid sense of history. He is a part of history and knows that he cannot participate in any action that would damage the image the country has of him. He knows that he had to protect this image before the people and he knows what the people expect of a man who played a very important role in the struggle that freed the country of a very personal tyranny that lasted 30 years. Gen Imbert Barrera's presence has greatly helped to cleanse the Armed Forces of corruption.

We have also appointed young people to head the police and other security organizations. They also have a very good image and are interested in professionalizing the Armed Forces. They want the Armed Forces to regain the image it had in the past, especially because of the Trujillo days.

[Zabludovsky] Mr President, in the book "Don Quixote de la Mancha" there is a well known phrase that reads: Sancho, we have run into the Church. In Latin America we could say that we have run into the Army. Mr President, do you think that this cleaning up of the Army could present a problem for you? In a sense, the image of the armies in Latin America cannot be underestimated. Will this create a problem for you?

[Balaguer] I do not think so. The Army, the Armed Forces in general, are very interested in recovering their credibility before the country. If the era of corruption that began a few years ago were to continue, it would become very difficult for them to have much space. They are the most interested in cleaning up and professionalizing their institution. This gives them more security and stability. It also allows them to move within the country, among the people, without being repudiated by the people. Therefore, I think that the Armed Forces are more interested than I am in ridding their ranks of corruption.

I have talked to many of them, and I have retired many of them because the country had more than 50 generals -- a small country with a relatively small Army had more generals than privates. This was corrected, and today we have less than half the number of generals. We also promoted a younger group to high-ranking military positions. All this is a guarantee of stability for the constitutional government. They are all aware that it is necessary to protect democracy in our country, and that the democratic process must continue. As the Constitution states, the Armed Forces should not be a belligerent institution but rather an institution that essentially obeys the civilian government.

[Zabludovsky] Mr President, is former President Salvador Jorge Blanco involved in the corruption?

[Balaguer] Some political parties, like the Progressive National Force, have presented serious charges against him. I cannot say that he has been involved in acts of corruption, but his government was -- his government officials. This is still a very controversial issue. Many people feel that he was not tactful enough to prevent ties with corrupt persons asking for important posts within the government. However, I personally cannot charge him with corruption. This is an issue that will probably be aired by the courts. In a letter he sent today to the newspapers, Blanco has asked that all the Armed Forces chiefs of the past 20 years, especially those involved with his government -- General Manuel Antonio Cuervo Gomez, General Famiro Matos, General Mario Imbert Mcgregor, General Rafael Adriano Valdez Hilario, Rear Admiral Jimenez Reyes, who participated in our government (?12 years ago), and General Juan Rene Beauchamps Javier -- be brought to trial. He has mentioned these generals as persons who must be investigated, and Blanco believes that corruption was a problem of the Armed Forces before he was sworn in. I agree with this, and feel that all the generals who held military commands during the past 20 years should be brought to trial. I also feel that former president Blanco's request must be expanded and that we should begin a process to investigate the actions of the administrations for the past 20 years: the three governments I was honored to head, the government headed by Antonio Guzman Fernandez, the government headed by Jacobo Majluta, and the government headed by Salvador Jorge Blanco.

We must request a complete investigation of this issue; we must find out where every cent that left the public treasury went, how the money of the people was used. It would be very good for us to discover this, as it would be an act of organization that would be very helpful for Dominican democracy. I am all for a complete review of the past 20 years, of the governments of the past few years. In this manner, the country will have a chance to find out who was a good administrator and who misused the funds in our public treasury.

[Zabludovsky] Would you go as far as asking former President Blanco to answer charges before a judge?

[Balaguer] Yes, I would. I would even agree to go with him so that, if he presents charges against me, I will have the chance to answer those charges; and if I present charges against him, he will have the chance to respond to my charges. Let the judge be the judge of what is said; let the people be the judge and make their decision.

[Zabludovsky] Mr President, can you give us an estimate of the amount of money misused?

[Balaguer] Corruption is to blame for the misuse of a huge amount of money. During the past few years, the country, the PRD, has been investing inorganic funds [dineros inorganicos]. During the past two 4-year periods, the PRD invested approximately 3 billion pesos. Large sums of money were collected; very high taxes were imposed, and these taxes brought much money to the state. Some of the taxes were: an income tax, a value-added tax -- a tax they have in Mexico and many other countries but for us it was something new--and an ad valorem tax [as heard] imposed by the administration without presenting the bill to the National Congress, and other similar charges such as a 36 percent surtax on traditional export products.

These amounts were huge for us because of our small size, and not all were invested legally. Just guessing, I could say that at least 50 percent of this money was not invested properly. [passage omitted]

[Zabludovsky] What role does Cuba play in Central America?

[Balaguer] Logically, Cuba forms part of a [words indistinct] two superpowers, or follows the guidelines, the dictates of one of them and is inevitably involved in the conflict. No matter how [words indistinct] is Cuba, it cannot avoid its responsibility in this conflict and stop participating in it because Cuba forms part of the interests of the Soviet Union.

[Zabludovsky] Some locations in Cuba, for example, the city of Santiago, are closer to the Dominican Republic is Cuba's closest neighbor. You do not have relations with it. You said recently that you have not seen any change in the situation so as to reestablish diplomatic relations with Cuba. Can you further explain this position?

[Balaguer] We maintain with Cuba sports and cultural relations, and sometimes even trade relations. I think trade can be established with Cuba if it is necessary for two neighboring countries linked by well-known, powerful, historic ties; however, diplomatic relations between Cuba and the Dominican Republic are not possible. Speaking very frankly, they are not possible because we are located in a strategic area of the Caribbean. It is a strategic zone because the United States views it as its security area. Therefore, it will not permit nor favorably view the reestablishment of diplomatic relations by our country with a country opposed to the interests of its continental security. Frankly speaking, we are a country that is dependent, as are most of the Latin American countries, on the U.S. economy. We depend on U.S. aid, and we form part of its collective security system. I do not think that the establishment of diplomatic relations with Cuba is possible even if we desired them or even if it were advisable to have ecnomic or trade relations.

[Zabludovsky] There is no possibility of this in the immediate future?

[Balaguer] There is no immediate possibility. None of our governments has dared to establish such relations; not even the PRD, which claims to be a vanguard party with an ideology close to that of the extreme left, has dared to establish those relations. It is aware that it could not survive if the United States isolates it because our economy is mainly dependent on the United States. It is dependent on the U.S. preferential market. We cannot survive without the aid, the protection, and the friendship of the United States. Anything said to the contrary is just a delusion and deceptive. It would not be based on reality.

[Zabludovsky] President Balaguer, how are relations with Haiti, the neighbor with whom you share this island?

[Balaguer] Our relations with Haiti are extremely cordial. We are interested in having Haiti develop towards a stable, democratic system. We think our stability is closely linked to Haitian stability.

We are doing all we can on the border with Haiti to prevent people who wish to export subversion and unrest to Haiti from crossing the border, however, at the same time, we are maintaining constant surveillance to protect our own interests. We are trying to combat a very large smuggling operation that has developed between the two countries. Because of the current Haitian situation, they cannot get the necessary basic foods and they come to our country, their closest neighbor, to get what they need. We have to do this because we do not have normal relations along our border, and the people cross and obtain contraband, supplying themselves from the Dominican economy. This contraband is good for the Dominicans because the Haitian currency is not as devaluated as the Dominican currency. The Haitian currency is almost at a par with the U.S. dollar. Therefore, the Dominicans find it profitable to cross the border clandestinely as well and sell their products in Haiti at a much better price than they would get there.

[Zabludovsky] The economic situation in the countries south of the Rio Grande has been pretty difficult lately; worse than in the past. How much does the Dominican Republic's foreign debt among to? How does it burden the people of this nation?

[Balaguer] Our foreign debt grew rapidly during the two 4-year-periods in which the PRD was in power. When I left office in 1978, the government had a public debt of 2 billion pesos. There were other small debts that the decentralized institutions, like the Dominican Power Company [Corporacion Dominicana de Electricidad], had to face during the great crisis brought about by the increase in the price of oil after 1973. However, during two 4-year-periods in which the PRD was in power, the debt grew because of loans requested from international credit institutions like the IDB, World Bank, AID, etc., and through negotiations with commercial banks that granted loans at usurious interest rates. Such was the case with a loan of $185 million made by European banks. The payment of this is still a heavy burden for the country. That debt, and its high interest rate, is still being paid. We have paid this loan amount several times, but the country is still paying off this loan, which was unduly and absurdly requested when the country could have handled the situation with the funds it had.

At this moment, our foreign debt is more than $4 billion. It is nothing compared to the Mexican, Brazilian, Venezuelan, or any other developed country's debt but for us it is a heavy burden. This debt is outside the possibilities of repayment for our country. The $4 billion represents an unbearable burden for the Dominican economy. I have stated that this debt is unpayable and that we are not in a position to accept the impositions of the IMF, as those impositions restrict us just as they restricted the past government. We cannot accept the payment of the debt with terms that we cannot handle. We have said that the debt must be paid, and we want to pay our debt just like all the other Latin American countries wish to pay their debt, but we want to pay it under favorable conditions. These conditions cannot hinder the country's development nor can we allow them to put the Dominican Republic on the verge of social conflict of incommensurable dimensions.

[Zabludovsky] Does the Dominican Republic have a specific plan to handle its foreign debt? For example, the Peruvian Government has said that it will not pay more than 10 percent of its export revenue on its debt. How will the Dominican Republic pay, or not pay?

[Balaguer] We are willing to pay the debt and have already paid a part of it. Not too long ago, we paid off a World Bank debt of $11 million. This debt was due and had to be paid because it was the only loan that had become due. It was also the only obstacle we were facing in our receiving new loans from the World Bank, and for the disbursement of funds for other loans that had already been agreed upon.

Through contacts with the Paris Group and the U.S. Government, especially through AID, we have sought ways to readjust our public debt. We want to pay the debt, and we know we must pay it, but we need softer and more feasible conditions for the Dominican people. We need conditions that will not strangle us or put us against the wall and make our lives impossible. We need conditions that will allow us to promote our development, and create and expand our own resources. With this development, we will be able to address our international commitments, which are sacred to us and which we want to meet. However, we must be allowed to pay under conditions that will be feasible for the country and yet remain advantageous for our creditors. A debtor who refuses to pay or a bankrupt debtor is not good for a creditor.

[Zabludovsky] Mr President, have you thought about the idea of a common debtor front?

[Balaguer] We do not support that idea. I do not think too many Latin American countries support this idea. Most of the countries do not support this so-called debtor's club. We would rather achieve the adjustments that our countries need to pay their debts on the basis of talks and bilateral agreements. We want to honor our debt but, as I have already said, the conditions must be truly soft. [passage omitted]

[Zabludovsky] Mr President, do you have any member of your family working for this administration?

[Balaguer] No. I have banned my family from working in this government. I have appointed no member of my family except for the political secretary of the Reformist Party, who was appointed Dominican consul to New York. He campaigned for the party for many years and earned that appointment. It is a modest appointment and is only temporary. I did not want to appoint him even though he had earned every right to be a member of the presidential cabinet, but I did not want a member of my family in the presidential cabinet as a secretary or assistant secretary. I have strongly upheld this policy. I recently fired very good friends of mine, friends who were at my side during all my political struggles. They were my bodyguards and had been by my side for more than 50 years. I fired them because they formed a profit-making company, and I felt that this could affect the image of the government. They had access to the National Palace and could look for an illegal way of making profits. [passage omitted]

[Zabludovsky] Mr President, you took office in August. How many years is the presidential term?

[Balaguer] Only 4 years.

[Zabludovsky] Can you be reelected?

[Balaguer] Reelection has not been banned in the Dominican Republic. However, former Dominican President Salvador Jorge Blanco has presented a bill banning reelection and adding other amendments to our Constitution. I agree with the amendments he has suggested, especially the one that would return absolute power in a manner of speaking but also gives the judicial branch an independent budget. The judicial branch would be allowed to handle their own budget, and they would be completely independent. The bill also includes the principle of regulation of the laws like they have in the United States, where the laws are interpreted by the Supreme Court of Justice. We have rejected the idea of creating a constitutional guarantee tribunal like the one they have in Spain because we felt that it was much more feasible and practical for us to create a chamber within the Supreme Court of Justice that would exercise oversight of the laws. [passage omitted]

BRIEFS

AMBASSADOR TO SOUTH KOREA -- Dominican Republic President Dr Joaquin Balaguer has sworn in new ambassador to South Korea Ramon A. Castillo. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 10 Jan 87 p 2 FL]

HAITI

CNG MEMBER JACQUES FRANCOIS 'SERIOUSLY' ILL

PA271326 Paris AFP in Spanish 0405 GMT 27 Jan 87

[Text] Port-Au-Prince, 26 Jan (AFP) -- Jacques A. Francois, the only civilian in the three-member Haitian National Council of Government (CNG) is "seriously" ill, a government communique reported tonight.

Francois, a 78-year-old lawyer, was appointed foreign minister following the Duvalier regime's fall; he was named one of the three members of the CNG on 19 March 1986.

JAMAICA

SEAGA NOTES 'DANGER' OF FORCED ELECTIONS

FL301747 Kingston Domestic Service in English 1130 GMT 30 Jan 87

[Excerpt] Prime Minister Edward Seaga said if an opposing political party is ever allowed to force the government to call elections, that will be setting a dangerous precedent in the country. Mr Seaga dealt with the election issue last night on the JBC's "Direct Line" program in response to a caller.

[Begin recording] If a precedent is ever set, then all you have to do is find an excuse [words indistinct] and then [words indistinct] until such a time when elections should be held and then to campaign vigorously and to do all the things that may be necessary to try to make it difficult for a government to run the country then that will set a precedent that is going to become established and followed by opposition parties hereafter. I repeat those words very slowly and very deliberately. And no party should believe that it will get away with such a precedent because opposition parties in the future will take the exact same position and in so doing we will then have governments in possession of one party alone in parliament. [end recording] [passage omitted]

TRINIDAD AND TOBAGO

MANNING ACCUSES ROBINSON OF 'VIOLATING LAW'

FL271300 Bonaire Trans World Radio in English 1130 GMT 27 Jan 87

[Text] A former Trinidadian minister yesterday accused Prime Minister Ray Robinson of violating the law by proposing wage freezes and the elimination of cost of living allowances by public employees.

Former Energy and Natural Resources Minister Patrick Manning, who now heads the opposition Peoples' National Movement in Parliament, said the proposed measures made a mockery of the labor-bargaining process and was business-oriented.

NATIONAL ASSEMBLY ENDS 1987 BUDGET DEBATE

FL292228 Bridgetown CANA in English 1539 GMT 29 Jan 87

[Text] Georgetown, Guyana, Jan 29, CANA -- The government denied last night that it had reached a loan agreement with the International Monetary Fund (IMF).

Prime Minister Hamilton Green's denial of claims from the opposition People's Progressive Party (PPP) came as he completed general debate in the National Assembly on the 1987 budget.

PPP leader Cheddi Jagan led a walk-out after speaker Sase Narain permitted Green to extend his speech by 15 minutes.

The prime minister said the budget, which included a 56 per cent devaluation of the dollar, should be seen as "challenge for every Guyanese toward a better way of life for all."

"It is aimed at activating the economy," he said, adding that it was not an easy one to prepare.

Replying to charges made by Dr Jagan that the budget was a dictate of the IMF, Green said that the government took the independence of Guyana seriously and would not be dictated to by anyone. He stressed that the government had not struck any deal with the IMF.

One of the key points of the budget was the go-ahead for commercial banks to operate foreign exchange windows from February 2. Green said the governor of the Central Bank, Pat Matthews, had already held discussions with the managers of commercial banks to discuss how they will operate the new facility which aims to bring a range of parallel transactions back into the official arena and give exporters increased access to foreign exchange.

"This move will help stimulate economic activity and would help herald in real and sustained growth," the prime minister said.

Earlier in the debate PPP frontbencher Reepu Daman Persaud, who completed the opposition response, urged the government to make a serious attempt to find the causes and reasons for the poor state of the economy.

"What is needed is objective discussion to lift this country out of the state it is in," Persaud said. Persaud said that given the "vast riches, resourcefulness and tremendous possibilities of Guyana, there is need for a reconciliation." He added that the PPP can make an input into the government allowed it to do so.

The budget was tabled in the assembly on January 16 by Finance Minister Carl Greenidge.

During the three-day debate the chief subject of discussion was the devaluation.